

1026

Union Calendar No. 277

100th Congress, 1st Session

S. Rept. No. 100-216

H. Rept. No. 100-433

Report of the Congressional Committees Investigating the

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# Iran-Contra Affair

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Appendix B: Volume 22  
Depositions

**Daniel K. Inouye**, *Chairman*,  
Senate Select Committee  
**Lee H. Hamilton**, *Chairman*,  
House Select Committee

U.S. Senate Select Committee  
On Secret Military Assistance to Iran  
And the Nicaraguan Opposition

U.S. House of Representatives  
Select Committee to Investigate  
Covert Arms Transactions with Iran

November 13, 1987.—Committed to the Committee of the Whole House  
on the State of the Union and ordered to be printed.

November 17, 1987.—Ordered to be printed.

---

Washington : 1988



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## United States Senate

SELECT COMMITTEE ON SECRET MILITARY  
 ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION  
 WASHINGTON, DC 20510-6480

March 1, 1988

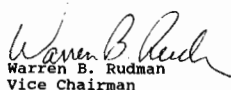
Honorable John C. Stennis  
 President pro tempore  
 United States Senate  
 Washington, D.C.

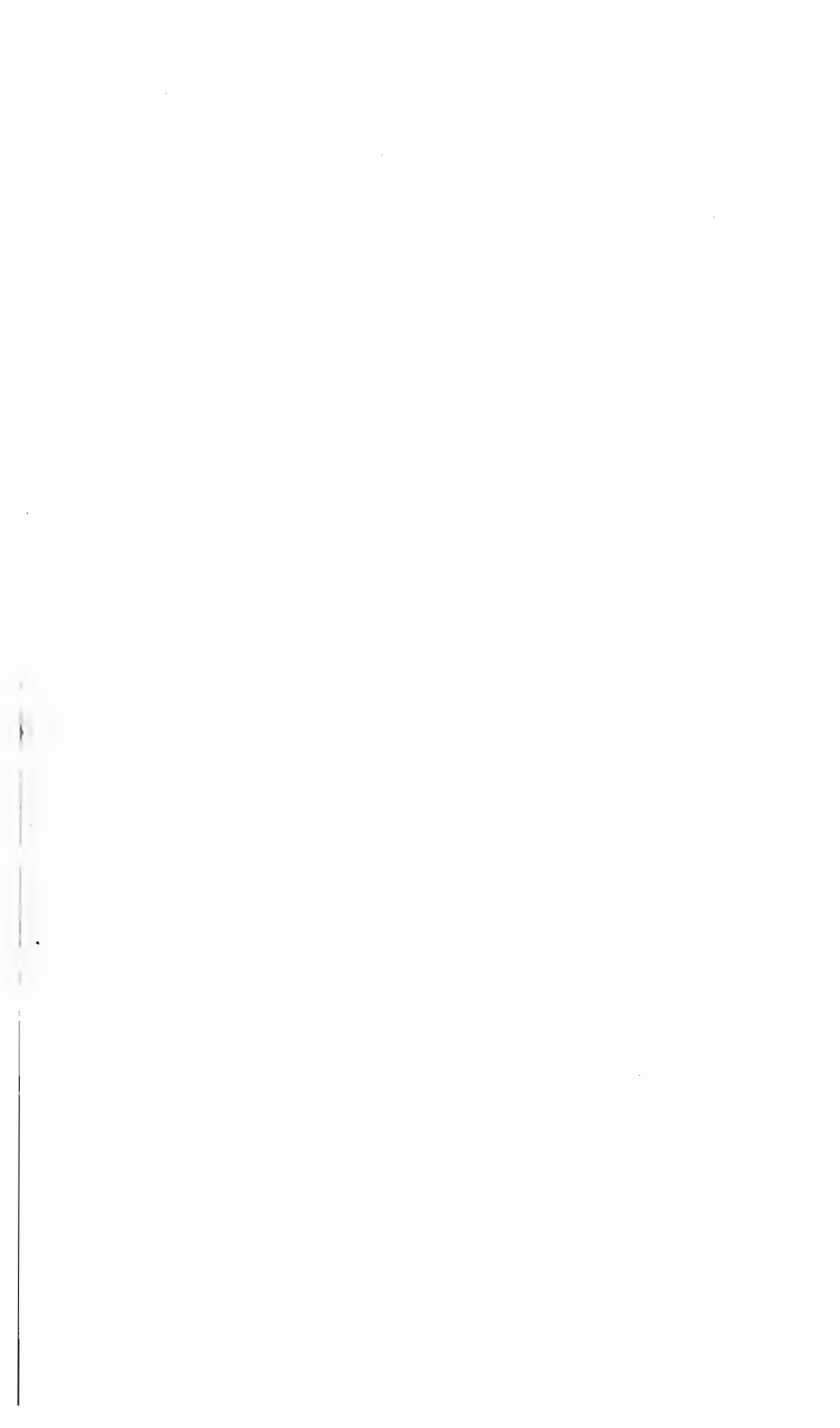
Dear Mr. President:

We have the pleasure to transmit herewith, pursuant to Senate Resolution 23, Appendix B to the final Report of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. We will submit such other volumes of Appendices to the Report as are authorized and as they become available.

Sincerely,

  
 Daniel K. Inouye  
 Chairman

  
 Warren B. Rudman  
 Vice Chairman



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COVERT ARMS TRANSACTIONS WITH IRAN

UNITED STATES CAPITOL

WASHINGTON, DC 20515

(202) 225-7902

March 1, 1988

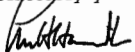
The Honorable Jim Wright  
Speaker of the House  
U. S. Capitol  
Washington, D. C. 20515

Dear Mr. Speaker:

Pursuant to the provisions of House Resolutions 12 and 330 and House Concurrent Resolution 195, 100th Congress, 1st Session, I transmit herewith Appendix B to the Report of the Congressional Committees Investigating the Iran-Contra Affair, House Report No. 100-433, 100th Congress, 1st Session.

Appendix B consists of the depositions taken by the Select Committees during the investigation. The contents of Appendix B have been declassified for release to the public.

Sincerely yours,

  
Lee H. Hamilton  
Chairman

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---

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# Depositions

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Alvarez, Francisco J.  
Allen, Charles.  
Arcos, Cresencio.

## Volume 2

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Artiano, Martin L.  
Associate DDO (CIA).  
Baker, James A., III.  
Barbules, Lt. Gen. Peter.  
Barnett, Ana.  
Bartlett, Linda June.  
Bastian, James H.  
Brady, Nicholas F.  
Brown, Arthur E., Jr.

## Volume 3

Byrne, Phyllis M.  
Calero, Adolfo.  
Castillo, Tomas ("W").  
Cave, George W.  
C/CATF.

## Volume 4

Channell, Carl R.  
Chapman, John R. (With Billy Ray Reyer).  
Chatham, Benjamin P.  
CIA Air Branch Chief.  
CIA Air Branch Deputy Chief.  
CIA Air Branch Subordinate.  
CIA Chief.  
CIA Communicator.  
CIA Identity "A".

---

## **Volume 5**

CIA Officer.  
Clagett, C. Thomas, Jr.  
Clark, Alfred (With Gregory Zink).  
Clarke, George.  
Clarridge, Dewey R.  
Cline, Ray S.  
C/NE.  
Cohen, Harold G.

## **Volume 6**

Collier, George E.  
Cole, Gary.  
Communications Officer Headquarters, CIA.  
Conrad, Daniel L.

## **Volume 7**

Cooper, Charles J.  
Coors, Joseph.  
Corbin, Joan.  
Corr, Edwin G.  
Coward, John C.  
Coy, Craig P.  
Crawford, Iain T.R.

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Crowe, Adm. William J.  
Currier, Kevin W.  
DCM, Country 15.  
DEA Agent 1.  
DEA Agent 2.  
DEA Agent 3.  
deGraffenreid, Kenneth.  
de la Torre, Hugo.  
Deputy Chief "DC".

## **Volume 9**

Duemling, Robert W.  
DIA Major.  
Dietel, J. Edwin.  
Dowling, Father Thomas.  
Dutton, Robert C.  
Earl, Robert.

---

## **Volume 10**

Farber, Jacob.  
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Former CIA Officer.  
Fraser, Donald.  
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## **Volume 11**

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Hall, Wilma.  
Hasenfus, Eugene.  
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---

Hunt, Nelson Bunker.  
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Leiwant, David O.  
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---

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Watson, Samuel J., III.  
Weinberger, Caspar.  
Weld, William.  
Wickham, John.  
Zink, Gregory (See Alfred Clark).

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# Preface

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The House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, under authority contained in the resolutions establishing them (H. Res. 12 and S. Res. 23, respectively), deposed approximately 290 individuals over the course of their 10-month joint investigation.

The use of depositions enabled the Select Committees to take sworn responses to specific interrogatories, and thereby to obtain information under oath for the written record and develop lines of inquiry for the public hearings.

Select Committees Members and staff counsel, including House minority counsel, determined who would be deposed, then sought subpoenas from the Chairmen of the Select Committees, when appropriate, to compel the individuals to appear in nonpublic sessions for questioning under oath. Many deponents received separate subpoenas ordering them to produce certain written documents.

Members and staff traveled throughout the United States and abroad to meet with deponents. All depositions were stenographically reported or tape-recorded and later transcribed and duly authenticated. Deponents had the right to review their statements after transcription and to suggest factual and technical corrections to the Select Committees.

At the depositions, deponents could assert their fifth amendment privilege to avoid self-incrimination by refusing to answer specific questions. They were also entitled to legal representation. Most Federal Government deponents were represented by lawyers from their agency; the majority of private individuals retained their own counsel.

The Select Committees, after obtaining the requisite court orders, granted limited or “use” immunity to about 20 deponents. Such immunity means that, while a deposed individual could no longer invoke the fifth amendment to avoid answering a question, his or her compelled responses—or leads or collateral evidence based on those responses—could not be used in any subsequent criminal prosecution of that individual, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with the court order.

An executive branch Declassification Committee, located in the White House, assisted the Committee by reviewing each page of deposition transcript and some exhibits and identifying classified matter relating to national security. Some depositions were not reviewed or could not be declassified for security reasons.

In addition, members of the House Select Committee staff corrected obvious typographical errors by hand and deleted personal and proprietary information not considered germane to the investigation.

In these *Depositions* volumes, some of the deposition transcripts are followed by exhibits. The exhibits—documentary evidence—were developed by Select Committees’ staff in the course of the Select Committees’ investigation or were provided by the deponent in response to a subpoena. In some cases, where the number of exhibits was very large, the House Select Committee staff chose for inclusion in the *Depositions* volumes selected documents. All of the original

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exhibits are stored with the rest of the Select Committees' documents with the National Archives and Records Administration and are available for public inspection subject to the respective rules of the House and Senate.

The 27 volumes of the *Depositions* appendix, totalling more than 30,000 pages, consist of photocopies of declassified, hand-corrected typewritten transcripts and declassified exhibits. Deponents appear in alphabetical order.

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## **Publications of the Senate and House Select Committees**

---

*Report of the Congressional Committees Investigating the Iran-Contra Affair*,  
1 volume, 1987.

Appendix A: *Source Documents*, 2 volumes, 1988.

Appendix B: *Depositions*, 27 volumes, 1988.

Appendix C: *Chronology of Events*, 1 volume, 1988.

Appendix D: *Testimonial Chronology*, 3 volumes, 1988.

All publications of the Select Committees are available from the U.S.  
Government Printing Office.



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Committee Hearings

of the

U.S. HOUSE OF REPRESENTATIVES

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PAGE 1

1 RPTS MAZUR  
2 DCMH DOMOCK  
3

4 **DEPOSITION OF WALTER RAYMOND, JR.**  
5

6 Thursday, September 3, 1987  
7

8 House of Representatives,  
9 Select Committee on Investigate  
10 Covert Arms Transactions with Iran,  
11 Washington, D.C.  
12

13 The select committee met, pursuant to call, at 2:00 p.m.,  
14 in Room 2203, Rayburn House Office Building, Spencer Oliver  
15 [Associate Counsel to the House Select Committee] presiding.

16 Also Present: On behalf of the House Select Committee: Thomas  
17 Fryman, Staff Counsel; Kenneth R. Buck, Assistant Minority  
18 Counsel; Richard J. Leon, Deputy Chief Minority Counsel; and  
19 ~~Spencer Oliver~~, Associate Counsel. <sup>Staff</sup>  
20

21 On behalf of the Senate Select Committee: Henry J. Flynn  
22 and ~~Burt Hammond~~, Investigators.  
23

24 On behalf of the Witness: C. Dean McGrath, Jr., Associate  
25 Counsel to the President.

Also Present: Robert H. Cooksey, Notary.

Declassified/Released on 18 Dec 1987  
under provisions of E.O. 12958  
J. Edgar Hoover, National Security Council

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PAGE 2

25 Whereupon,

26 . WALTER RAYMOND, JR.

27 was called for as a witness and, after having been duly  
28 sworn, was examined and testified as follows:29 MR. OLIVER: Mr. Raymond, we will take this  
30 deposition today on an unclassified basis, since the  
31 reporter does not have a security clearance. In the event  
32 that any questions are asked to which the answers would  
33 require the divulgence of classified material, if you would  
34 just note that those matters are classified, and we will go  
35 on to the next question and deal with that at another time.

36 THE WITNESS: All right.

37 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

38 BY MR. OLIVER:

39 Q First, Mr. Raymond, could you tell us what is your  
40 present position?

41 A My present position is Assistant Director of USIA.

42 Q And could you tell us briefly on the record your  
43 background and where you were born, your education and other  
44 government service or other jobs prior to coming to the--to  
45 your present position?

46 A All right.

47 I was born in New York, 1929, grew up in the north  
48 and the south, went to William--sorry, College of William and  
49 Mary, bachelor's degree in 1950, history, government. Yale**UNCLASSIFIED**

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50 University, master's degree in international affairs, 1951.  
 51 and then military service in the Army, and followed that  
 52 with government service, where I have--where I have been ever  
 53 since.

54 . So, in effect, I have been on active duty with the  
 55 Army or with one part of the government or another for 35  
 56 years.

57 . Q When did you begin your employment at the White  
 58 House?

59 . A July--I believe July 12, 1982.

60 . Q And what was your position at that time?

61 . A At that time, I was the Senior Director for  
 62 Intelligence Programs. I might point out just for the  
 63 record, I was also at the White House in 1961 for six months  
 64 when we established the Situation Room.

65 . Q Who did you report to and who was--what was the chain  
 66 of command in your position, both before you and below you  
 67 in that position?

68 . A In 1982, Bill Clark was the National Security  
 69 Adviser, and he was my principal supervisor. The chain of  
 70 command was from Bill Clark to Bud McFarlane. At that  
 71 stage, I think John Poindexter was just coming on line as  
 72 sort of number three, but it worked as a team.

73 . Q Um-hum.

74 . A And when we communicated in almost all cases, the

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75 communication would be to Mr. Clark, but it would go through  
76 some of these other gentlemen.

77 . Q In other words, you would send a memorandum directly  
78 to Mr. Clark, but with copies to these other people and go  
79 through a clearance procedure.

80 . A Right. You mentioned who else was in my office at  
81 that time. I had two other officers, Ken DeGraffenreid and  
82 Bill Rye.

83 . Q And they were your deputies?

84 . A Well, everybody--yes, in a sense, we all--I was the  
85 senior officer and they were junior to me.

86 . Q And what were your responsibilities in that  
87 position?

88 . A Well, for the first few months--and I was only in  
89 that office for a few months--the principal responsibility in  
90 that office was to look at the intelligence community apart  
91 from the standpoint of its production or from the standpoint  
92 of its resources, its programs, its general activities.

93 . That was basically--

94 . Q For a particular purpose, or just to--report to the  
95 White House about what they were doing?

96 . A Well, you know, it would break down. There were a  
97 lot of certain specific committees that existed. If I can  
98 refresh my memory now. They were part of the same process,  
99 SIG/I, Senior Interagency Group/Intelligence--and I--one or

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100 the other of us would attend these various meetings if staff  
101 was required.

102 . Now, a lot of this was done by principals and didn't  
103 involve staff and with only three people, you can do only so  
104 much. Colonel Rye was principally looking at the Air Force  
105 and space systems--worked very closely among other things  
106 with NASA, so DeGraffenreid and I looked at other problems,  
107 production and programs, which would mean some budget, which  
108 would mean some sufficiency of programming, some--

109 . Q For all the elements of it in various agencies in  
110 the government.

111 . A Right.

112 . Q So, did you make any recommendations--did you do a  
113 report when you say you looked over--were you looking at it  
114 for the purpose of evaluating it or making a report as to  
115 how it could work better?

116 . A Well, this takes some--I have been so far removed  
117 from all this for almost five years that it takes some  
118 thinking. There is a body that is slipping my mind, but it  
119 was an interagency body that looked at questions and worked  
120 closely with the intelligence staff, and John McMahon, as I  
121 recall, was--chaired most of those meetings, and this  
122 was--this got into the range of whether one's intelligence  
123 collection systems and detection and verification and things  
124 like this, which I can't get into in an unclassified basis,

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125 but can make allusion to, is whether we had the right amount  
126 of coverage, and we spent a lot of time on that.

127 . We spent time on trying to make a judgment of  
128 whether the analytical elements of the community were  
129 functioning, and how they interrelated. We scrubbed at the  
130 priorities of collection, the requirements process, were  
131 they adequate, were they comprehensive, were the priorities  
132 properly established, and we had responsibilities for  
133 overviewing other kinds of programs, including covert action  
134 programs.

135 . We were--including counterintelligence programs. If  
136 you look generically at the elements of intelligence, were  
137 the disciplines, human intelligence, various types of  
138 technical systems, some of which are related to NSA, you  
139 have to look at that as a body and that is what we did.

140 . With three people, you can't go too much  
141 beyond--beyond serving as a broker, pulling people, pulling  
142 papers together and trying to see the communities coming  
143 together with the right focus.

144 . Q You stated you only stayed in that job for a few  
145 months. What happened then?

146 . A In July 1983, there was a reorganization of the  
147 National Security Council under Bill Clark, and he  
148 established several new offices. I was assigned a position  
149 as the Senior Director of--International Director of

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150 Communications, and concurrently with the title Special  
151 Assistant to the President, and that was in June or July of  
152 1983.

153 . Q So that was a promotion?

154 . A I--yes.

155 . Q I mean, the title of Special Assistant to the  
156 President moves it up a notch.

157 . A Oh, you are right.

158 . Q Was that at your request? Did you recommend the  
159 creation of that entity within the NSC?

160 . A Well, I had--I had been emphasizing to Bill Clark for  
161 a number of months that it was consistent with the  
162 President's program as articulated in June 1982 at  
163 Westminster in London that we had quite a challenge, and  
164 simply stated, was to fight the war of ideas and build the  
165 infrastructure of democracy as you and I know it, and I made  
166 the point, and I don't want it to sound as if I were the  
167 single person doing this. Many fine people were talking  
168 along the same lines, including Congressman Fasseell.

169 . I made the point that we were not configured  
170 effectively to deal with the war of ideas, and to deal with  
171 building infrastructure of democracy. We did not have  
172 enough emphasis on that within the United States Government.  
173 We did not have an effective way to reach out to various  
174 elements of our society and work with them and help assist

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175 them to be involved internationally and, last analysis, we  
176 also needed to try to encourage the private sector to be  
177 more active.

178 . This is hard to do for the government, but if you  
179 take a look at the amount of money that was given for  
180 international programs by some of the principal foundations  
181 in 1961, and you see 25-28 percent of their budget went to  
182 international programs, and you see about 4 or 5 percent of  
183 their budget goes to international programs a couple of  
184 years later, you have a problem, and that is that we were  
185 not engaged.

186 . It was a function of a lot of things. It was a  
187 function of Vietnam, it was the function of--a challenging  
188 internal agenda which resulted in a number of racial  
189 disturbances in the sixties, it was the result of Watergate,  
190 it was turning inward.

191 . We needed to re-engage and we talked about this, a  
192 number of us. The President's speech set the tone, but we  
193 had to translate that into some form of action. I think to  
194 some degree the creation of that office was Bill Clark's--was  
195 a step by Bill Clark to try to help us move towards  
196 categorizing at least the governmental bureaucracy to meet  
197 some of those challenges.

198 . 2 Did you write a paper recommending that that be  
199 approved?

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200 . A No, we talked repeatedly about it in the aftermath  
201 of the June 1982 speech, and some of us who had been  
202 involved one way or another in the June 1982 speech, which  
203 includes people like Mike Palmer, Larry Eagleburger and  
204 others--talked about it.

205 . I don't happen to remember where it was one seminal  
206 paper, but the organizational family that tried to deal with  
207 these things was the NSDD-77, which was promulgated in  
208 January '83, which was designed to give us a governmental  
209 structure.

210 . Then we tried to develop a democracy program as an  
211 analog to provide some governmental funding to deal with the  
212 programs we are trying to develop.

213 . Q So, you created this new division. How big a staff  
214 did you have in this--in your new position?

215 . A When we started, I had one person and when I  
216 finished, I had two people--four years later. That is what  
217 is known as having to depend in large part on the  
218 bureaucracy through the job, and again goes back to what the  
219 NSC should be doing, and that is helping coordinate and in  
220 some cases stimulate, but to look at where problems are, and  
221 where possible policy is needed to try to make the system  
222 work.

223 . Q And who were your staff people? Who was your first  
224 staff person--

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225 . A I inherited Cary Lord, who was actually leaving the  
226 NSC about that time; Steve Steiner replaced him. Steiner  
227 remained with me until a couple of years, when he got pulled  
228 off to work full-time on public diplomacy issues related to  
229 arms control, at which point I brought Judy Mandel, M-a-n-d-  
230 e-l, over from State. She was there and--about six months  
231 before I left--even less, maybe three or four months, I had  
232 another chap join me, Mike Castine, C-a-s-t-i-n-e.  
233 . 2 And what--how was this organized in terms of its  
234 relationship with the other agencies of the Federal  
235 Government? As a new entity, I would assume you had to set  
236 up some new interagency groups of--  
237 . A That was spelled out in--in the NSDD-77, which I  
238 presume is a matter of record somewhere. If not, we can  
239 obviously make it available. It is unclassified.  
240 Essentially, what we did is--first of all, we spent some time  
241 figuring out what would be the right approach.  
242 . We looked at some of the historical precedents. We  
243 looked at OCB, Operations Coordinating Board. We looked at  
244 that model in the early sixties, felt that that probably was  
245 too comprehensive to take on at that point, so we looked at  
246 other models, and we came up with a plan to bring together a  
247 steering group under the direction of the NASA Security  
248 Adviser, Bill Clark, and around the table five other  
249 principals, Secretary of State, Secretary of Defense,

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250 Director of USIA, Administrator of AID, and the President's  
251 Communications Coordinator; I think Chief of Communications.

252 . Now, that meant specifically when we had our first  
253 SPG meeting, as it was called, Special Planning Group, in  
254 early 1983, that would be the Cabinet principals' place;  
255 Dave Gergen, who at that time was the Communications  
256 Coordinator. This group provided overall guidance.

257 . There were four--committees which were established  
258 with different functional responsibilities.

259 . Q Excuse me. They didn't meet at this level, though.  
260 You are talking about representatives of the Secretary of  
261 State and Secretary of Defense, aren't you, or did they  
262 actually meet at the--

263 . A Secretary Weinberger and Director Witt came to all  
264 the meetings. Peter McPherson came to some, or he sent his  
265 deputy. I think Secretary Shultz only came--I am not sure if  
266 Secretary Shultz came. I know the Deputy Secretary came  
267 once, and I know that Larry Eagleburger came regularly, so  
268 there was one sort of one step down there. I don't know  
269 whether I am going into too much detail for you.

270 . Q No, please.

271 . A The committees were very important, and a lot of work  
272 was done in the name of the SPG, and that is a point which  
273 we can deal with later, because it does cause confusion, and  
274 that is that the National Security Adviser was concurrently

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275 the--the head of the SPG.

276 . Now, specifically, the committees, the International  
277 Political Committee was chaired most of the time by the  
278 Under Secretary of State for Political Affairs, and in his  
279 absence usually by his deputy, Ambassador Gerald Helman.  
280 This group largely focused on democracy-building programs.  
281 They would be the kind of group in contemporary terms that  
282 would be looking at the problem in Haiti, the problems in  
283 Chile, possibly the program in South Korea, or the things  
284 that are to be done constructively to help facilitate the  
285 electoral process as the country emerges from an  
286 authoritarian or totalitarian state to a democracy.

287 . The International Information Committee was chaired  
288 by the Deputy Director of USIA, and it dealt, as the name  
289 describes, with a whole raft of informational issues,  
290 including public diplomacy, action plans for specific  
291 themes, maybe Afghan--the commemoration of the Soviet  
292 invasion of Afghanistan.

293 . We might have a worldwide plan or might be a  
294 program--something about Soviet disinformation, or arms  
295 control and so on.

296 . The International Broadcasting Committee was  
297 initially chaired by the Deputy Assistant to the President  
298 for National Security Affairs. But after the--but over a  
299 period of time, I think by about 1984, I was asked to assume

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300 that chairmanship by the Director of--by the head of the SPG.  
301 so I served for the last two or three years as the head of  
302 the International Broadcasting Committee.  
303 Q But at first, it was--  
304 A First was by--  
305 Q --Bud and John Poindexter.  
306 A Yes, and then briefly it was Don Fortier.  
307 Q Bud McFarlane--  
308 A Was first, John, and then Don. And I did it, and it  
309 was consistent with my--basically my responsibilities in the  
310 MSC, and we were looking at such questions as the VOA  
311 modernization, RFE/RL modernization, possible uses of direct  
312 broadcast by satellite, television, Radio Marti, just to  
313 name a few.  
314 Q The fourth committee was the Committee on Public  
315 Affairs. It was initially co-chaired by--Dave Gergen and Bud  
316 McFarlane, and rather quickly moved down to the number twos  
317 in the press office, which in the MSC--press man, so there  
318 have been a lot of changes there, but it was Bob Sims at one  
319 point, Ed Djerejian at another point--D-j-e-r-e-j-i-a-n--but a  
320 number of people, but principally was the pressman for the  
321 MSC with the number two person in the White House press  
322 office, and they would co-chair for the purposes of looking  
323 at key press issues that were coming up, and seeing to it  
324 that the press spokesman and State and Defense principally.

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325 and White House and NSC were all basically saying the same  
326 thing on the one hand, and also engaging in some short-term  
327 planning for the next week or two.

328 . That committee stopped meeting formally after a  
329 couple of years, and it has been replaced by a weekly  
330 meeting of the press spokesman of the principal agency and  
331 departments without staff, and then they go back and so, it  
332 is a five or six-person meeting, and they go back and report  
333 and follow up.

334 . Also, we found out, in the case of press that we  
335 could do the job just about as well by having a  
336 teleconference every morning at 11:00, and get the positions  
337 integrated.

338 . Q How often did these committees meet? Once a week?

339 . A The committees met very erratically, in the sense  
340 that it wasn't a precise time for each meeting. In the case  
341 of the IIC, we started meeting every two weeks, and we  
342 settled into model meetings.

343 . In the case of IPC, we tried to be sure that the  
344 meeting--with a fair amount of regularity, but we were  
345 basically responding to problems, so sometimes it was  
346 regularly and sometimes not particularly regularly. We  
347 could go two or three months without a meeting and then have  
348 three or four meetings in a month, depending on the issues  
349 that required that kind of focus.

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350 . The IPC met when it had a decent agenda, so we met  
351 every two or three months. What we did to see to it that it  
352 worked effectively was that we created, in effect, an ad hoc  
353 executive committee, called an SPG Executive Committee,  
354 which I chaired, which met in my office, and for the first  
355 three years--well, for the first two or three years, I should  
356 say, we met every week.

357 . After that, we met every two weeks, and that would  
358 be made up of either the chair or his designee for each of  
359 the major committees, and that permitted us to do a lot of  
360 work with the network that had already been created in the  
361 government.

362 . For example, Jerry Helman would frequently go back  
363 and have meetings, interagency meetings following up on some  
364 of our issues. He would also frequently proceed--precede  
365 meetings that we would have with his own meetings, and he  
366 would then share the results of those meetings with us.

367 . Q Those met weekly?

368 . A Yeah.

369 . Q On what day? Was it a regular day?

370 . A Yeah--firstly, it was a regular day. I don't  
371 remember specifically because from time to time we would  
372 change it around, but it was a regular day.

373 . Q And that met up until when? Up until the time--

374 . A I would think up until early 1986, we thought that

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375 perhaps it might be more efficient if we just met every two  
376 weeks, but it did meet virtually every week for the first  
377 couple of years.

378 . Part of this is to energize the system, and that is  
379 what we are trying to keep going.

380 . Q So, who would attend those meetings on a regular  
381 basis?

382 . A The main team would be myself; from AID under the  
383 current terms it would be the Assistant Administrator for  
384 Policy, Rich Bissel; from State, it would be the Deputy to  
385 the Under Secretary, Jerry Helman; from USIA, it would be  
386 Michael Schneider, who was the Deputy Associate Director of  
387 Policy and Programs; and from Defense, it would be Craig  
388 Alterman, Deputy to the Under Secretary of Policy and/or his  
389 Public Diplomacy Coordinator, Irwin Mern.

390 . Q Who would it have been in 1985 in those positions?

391 . A Well--

392 . Q Would it have been Helman?

393 . A Yes, Helman at State; Schneider would have been  
394 USIA--I think the only difference would be the question of  
395 AID and probably, we were in a transition period there--for a  
396 while, Kate Summerad sat in. She actually had public  
397 relations in AID. We didn't have--the best person we have  
398 had on that team has been Rich Bissel, who understands the  
399 concepts of nation-building and constitution-building.

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400 . The AID presentation was better when we brought the  
 401 Associate Director or Assistant Director--start again,  
 402 Assistant Administrator for Policy. When we had the person  
 403 from the Public Affairs Office, it was not as--it was not a  
 404 good access point to AID as having Mr. Bissel.

405 . Q Who else from the NSC attended?

406 . A Rarely anybody else. There are, as I alluded a  
 407 little bit back, there were sometimes special programs such  
 408 as the arms control under Steve Steiner. I tried to have  
 409 him come as often as he could, so he could share some of the  
 410 results of his work with our group. But he had a very  
 411 effective interagency group with representation from all the  
 412 concerned departments and agencies. And he would share the  
 413 results of this meeting--his meetings very regularly with me  
 414 and with the NSC front office, so we were monitoring his  
 415 activity very closely, but it was operating on a somewhat  
 416 parallel track.

417 . There were, over periods of time, as you know,  
 418 special public diplomacy coordinators which were  
 419 established, and sometimes the SPG Ex-Com worked closely  
 420 with them, and sometimes they did not, so--for example, when  
 421 Peter Dailey was sent up to help at the direct request of  
 422 the President, and Bill Clark in 1983 to facilitate popular  
 423 acceptance of the INF missiles in Europe--

424 . Q When you say he was sent up, what do you mean?

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425 . A He was asked by the President to coordinate a public  
426 diplomacy effort on the IMF question, and he worked at State  
427 and worked closely with the Secretary, but he reported back  
428 to the SPG. This was--at a SPG meeting, it was recognized  
429 that we needed to have a special effort to be able to ensure  
430 European acceptance of placement of the weapons systems, so  
431 we--after talks between Bill Clark with whatever hat you want  
432 to describe, the head of the SPG or as National Security  
433 Adviser, it was felt that one had to make a special effort  
434 to try to extend then our case to the Europeans.

435 . Q Was he a full-time government employee at that  
436 point?

437 . A He was.

438 . Q Did he have the rank of Ambassador?

439 . A He did.

440 . Q But it was not a position that required  
441 confirmation. It was just a title or was he confirmed?

442 . A No, he was our Ambassador to Ireland, and we brought  
443 him back for two months.

444 . Q You brought him back for two months in 1983?

445 . A Um-hum.

446 . Q To set up and coordinate this program related to  
447 IMF.

448 . A Right.

449 . Q And he sat in on the ad hoc Ex-Com at that point?

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450 . A No, he didn't sit in on the Ex-Com. The Ex-Com was,  
451 you know, going along doing its business, and when a special  
452 program like the INF got started, it basically did not  
453 report through the Ex-Com. It reported to Bill Clark or to  
454 the chairman of the SPG through established processes.

455 . Q When you became a Special Assistant to the  
456 President, as well as your other titles, did you also report  
457 in another chain of command to the Chief of Staff of the  
458 White House?

459 . A No.

460 . Q You always reported through the MSC hierarchy.

461 . A Absolutely.

462 . Q When the--when these groups were set up within the  
463 various agencies--for instance, the Office of Latin American  
464 Public Diplomacy in the White House, did they report to this  
465 SPG also?

466 . A Well--

467 . Q LPD in the State Department?

468 . A LPD was set up in 1983 at the request of--on the  
469 basis of a memo from Bill Clark--signed for the President to  
470 the Secretary of State, in fact, to all members of the SPG,  
471 and the former Senator, Richard Stone, was named at that  
472 time as the head of this special public diplomacy group for  
473 Central America, and while cited in the Department of State  
474 and with a very rudimentary team, he would report to the

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475 chairman of the SPG, and he served very briefly, as you  
476 know, before he moved on and became a negotiator, but he met  
477 on two or three occasions with the SPG, and gave a brief on  
478 where he thought things were heading, and he, I think, met  
479 when he wanted to, and I can't really speak to that, with  
480 Bill Clark and obviously with the Secretary.

481 . It became--increasingly institutionalized as you know  
482 from the records--I am sure you have seen--with his successor,  
483 Otto Reich, where first of all, the memo which appointed  
484 Otto indicated that he served as an advisor to the  
485 Secretary, and LPD, of course, was totally an organization  
486 within the Department of State, so its activities were under  
487 direct scrutiny of the Department of State.

488 . His programs, its accomplishments, were communicated  
489 periodically to the SPG. Now, I say that because there was  
490 some question of whether Otto Reich worked for the NSC or  
491 not. He had his own program and was within State, and he  
492 reported to the SPG, which it is a distinction with a  
493 difference.

494 . 2 The Central American Public Diplomacy Program was  
495 actually begun earlier in 1983, wasn't it, before July of  
496 1983, when you took over this new position?

497 . A Well, in other words, when we, trying to generate  
498 support for our program, before we appointed Dick Stone. I  
499 suppose the answer would be yes, but it didn't become part

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500 of this bureaucratic process until we named Dick Stone, and  
501 I am not frankly certain, you know, what we really had  
502 before July '83.

503 . We clearly were trying to make our case known as to  
504 what we were trying to do in Central America. We were doing  
505 it through all the established channels, but the reason for  
506 naming Dick Stone, and the reason for naming Otto Reich was  
507 clearly that we were having--it was an extremely difficult  
508 issue.

509 . It was one with a lot of controversy, and it was one  
510 on which very few people really had much understanding of  
511 the issues, so there was at least a serious educational  
512 problem that was involved in the Central American public  
513 diplomacy field, and we were trying to deal with that as a  
514 major part of our responsibility.

515 . Q Was there a struggle between the White House and the  
516 State Department over the location of this Office of Latin  
517 American Public Diplomacy and who it should report to?

518 . A Well, I think that any bureaucracy is much happier  
519 when all the elements are under its own aegis, and I think  
520 there probably was a certain sense of tension that--you  
521 know--but on the other hand, the reason the question even  
522 came up is because the job wasn't being done very well, and  
523 if things were going well, I think you don't--if--the old  
524 adage, if it ain't broke, don't fix it. If things were

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525 going well, I don't think there would have been a necessary  
526 need to engage in this.

527 . But we had been, I think, hardened by Peter Dailey's  
528 very effective work with the IMF, and we had thought that it  
529 might be useful to provide some extra focus. And I don't  
530 really want to get into a controversy with professional  
531 foreign service officers, but some of them are not  
532 particularly interested in information programs.

533 . They are more interested in sort of the traditional  
534 dimensions of diplomacy, and I think that what we were  
535 trying to do is energize kind of a new discipline. Now, I  
536 might point out that--I am sort of a foreign affairs  
537 professional. I am talking very much, as you can see, from  
538 the need to get the story told internationally, and--but  
539 obviously there was a domestic dimension to it, too, as we  
540 all know.

541 . 2 I would like to show you a memorandum, Walt, and  
542 like to have the reporter mark this as Walt Raymond Exhibit  
543 1.

544 . [Walter Raymond Exhibit No. 1 was marked for  
545 identification.]

546 . THE WITNESS: Do you want me to read this now?

547 . BY MR. OLIVER:

548 . 2 Yeah. I would like to ask you about--have you ever  
549 seen that memorandum before?

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550 . A No, not to the best--well, let me read it through.

551 Superficially, I don't think so, but let me look at it.

552 . Q It is marked N-29458, is the committee's

553 identification number. It is a memorandum from the

554 Secretary of State to the President, dated May 25, 1983. Do

555 you recall ever seeing this memorandum?

556 . A I do not. I do not.

557 . MR. McGRATH: Why don't you give him a second?

558 . THE WITNESS: To the best of my knowledge, I don't

559 think I have seen it.

560 . BY MR. OLIVER:

561 . Q Have you ever heard about this memorandum?

562 . A No, I don't think so. Let me--but let me see

563 where--well, to answer your question, and I have read it all

564 now, and the answer is no, to the best of my knowledge, I

565 have never seen it before.

566 . Q Was there resistance by Secretary Shultz to the

567 naming of Otto Reich as the Coordinator for Latin American

568 Diplomacy and the location of this entity in the Department

569 of State?

570 . A I can't answer that definitively. I don't recall

571 whether that question was posed quite like that to the

572 Secretary during the testimony. But my--I do know that after

573 Otto had been on board for a while, that Secretary Shultz on

574 several occasions spoke very positively about Ambassador

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575 Reich's performance.

576 . I think that the points that are raised in this  
577 memorandum--insofar as they speak to public diplomacy on page  
578 3--I think that the Secretary saw that--somewhat more of a  
579 recognition of Otto Reich's role as spelled out in the memo  
580 from Bill Clark, which had been--my recollection is that the  
581 memo appointing Otto Reich had been shown to Secretary  
582 Shultz before it was signed by Mr. Clark, and the Secretary  
583 had agreed to it, and it also has, as you recall, as I said  
584 before, it identified Ambassador Reich as an advisor to the  
585 Secretary, so what it did is it did permit the Secretary and  
586 ARA to have a stronger public diplomacy arm as spelled out  
587 in the Shultz memorandum.

588 . One of the things about the team we put together was  
589 we brought people from several departments and agencies, so  
590 we were able to have an interagency process work more  
591 effectively. We had Defense and USIA and AID people  
592 detailed.

593 . 2 I would like to ask the reporter to mark this as  
594 Walt Raymond Exhibit No. 2.

595 . [Walter Raymond Exhibit No. 2 was marked for  
596 identification.]

597 . BY MR. OLIVER:

598 . 2 This is a memorandum from Walt Raymond, Jr. to  
599 William P. Clark, dated May 18, 1983. The committee's

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600 identification number is N-30921, and attached to it is a  
601 memorandum from William P. Clark to James A. Baker III,  
602 identification number N-30925, which I believe is a draft  
603 memorandum, and attached to that is a memorandum to  
604 Secretary Shultz from William P. Clark, related to public  
605 diplomacy, and its identification number is N-30928.

606 . I show you this memorandum, Mr. Raymond, and ask you  
607 to look it over and ask you if you recall that memorandum  
608 and the attachments, and what the circumstances were  
609 surrounding that memorandum to Mr. Clark.

610 . A Okay. There are a whole lot of points here, and  
611 worth some touching on. One is--

612 . Q Well, do you remember drafting that document?

613 . A Yeah, I remember--well, let's put it this way: I  
614 remember the issue. I quite frankly had not seen this paper  
615 for over four years, and I remember the issue. I don't know  
616 if I necessarily remember putting pen to paper on it, but I  
617 obviously wrote it. It is my signature. I certainly  
618 remember the issue.

619 . Q Well, the memorandum--it appears from this memorandum  
620 that it was on the basis of this memorandum that the  
621 attached directives--directive from the National Security  
622 Adviser went forward to the Secretary of State proposing  
623 Otto Reich as the Director--as the Coordinator for Latin  
624 American Public Diplomacy. Is that, in fact, what happened?

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625 . A I am not at all certain that is the way it worked,  
626 no. I can't--you know, I can't specifically say that. I do  
627 know, as I mentioned previously, that when the question came  
628 up of having Dick Stone take on the negotiating role, that  
629 there was this discussion as to who would replace him.

630 . It is reflected in these memoranda. Otto Reich was  
631 a candidate--was recommended from the MSC side, and there was  
632 this discussion, but I thought it took the form of a draft  
633 memorandum to Secretary Shultz that was then shown to  
634 Secretary Shultz. I would have to compare this text with a  
635 signed text. There was a signed text at some point where  
636 we--where we take on this question of the replacement.

637 . And I just don't know whether it is the same as  
638 this. My recollection is that it is a little bit different.

639 . Q Well--

640 . MR. McGRATH: Do you have a signed copy of the memo?

641 . MR. OLIVER: Do I have a signed copy? I do not have  
642 a signed copy at the moment. We may have one. What happens  
643 around here is--we reproduce so many documents that you  
644 produce the original and copies and that sort of thing.

645 . THE WITNESS: Well, my recollection of the signed  
646 one is that it did not get into the policy management  
647 things. My recollection is that the signed one dealt with  
648 public diplomacy and that and nothing else.

649 . BY MR. OLIVER:

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650 . Q But you did sign the cover memo that is here?

651 . A Right.

652 . Q And you did recommend Otto Reich?

653 . A Correct.

654 . Q To Mr. Clark?

655 . A Right.

656 . Q And in fact, Mr. Reich did become the Coordinator

657 for Latin American Diplomacy.

658 . A Right.

659 . Q Was it your idea for Mr. Reich to become the

660 Coordinator, or was it someone else's? In this memorandum,

661 it indicated he had ~~been~~ recommended by Dick Stone and Jeane

662 Kirkpatrick.

663 . A My recollection is like so many appointments, it

664 sort of oozes out of the ground. I think that--I don't

665 believe I <sup>know</sup> ~~was~~ Otto Reich enough to have made the

666 recommendations at the time. Dick did. They both lived in

667 Florida, and my recollection is it was something where Bill

668 Clark, knowing that Ambassador Stone was going to move on,

669 asked me and probably asked others to come up with some

670 ideas, and I took soundings and Otto's name emerged at the

671 top of the list.

672 . Q Why did you--why would Jeane Kirkpatrick be involved

673 in the recommendation of the Coordinator for Latin American

674 Public Diplomacy?

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675 . A Because at the time she was at the U.N., she was  
676 personally interested in Central America. As you know, she  
677 has written a lot on it, and she also was a regular  
678 participant, I believe, in NSC processes, so it would be  
679 very consistent for her to be one of a number of people who  
680 might be asked or who might recommend. I can't remember now  
681 whether she was polled or whether she recommended, but I  
682 know that she strongly supported Otto.

683 . Q In the last paragraph on page 2 of your memorandum,  
684 you indicated that it is your sense that State is, and I  
685 quote, is "increasingly restive over public diplomacy  
686 representatives being Presidential representatives  
687 responsible to your SPG," and you go on to argue that you  
688 think this is necessary.

689 . A Um-hum.

690 . Q Isn't it true that in fact, you won that battle and  
691 Otto Reich did report to the SPG as the Coordinator of--

692 . A He reported to the SPG, but as I point out, it was  
693 on a periodic basis. He was working daily with ARA and in  
694 the Department of State, and day in-day out guidance and  
695 policy. Certainly was not coming in the SPG which meets  
696 very erratically. Day in-day out policy was coming from  
697 whatever policymaking process existed at the time. Like  
698 these memoranda talk a bit about whether there was a  
699 sufficiently focused policy process, but the fact is that

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700 | that is where his day in-day out guidance was coming from,  
701 | and as you know from testimony later on, that became the rig  
702 | under Elliott Abrams, but of course, Abrams wasn't even in  
703 | the equation at the time when you are talking about Tony  
704 | Motley--well, basically, Tony Motley.

705 | .    2    You mean--what you are saying is that eventually this  
706 | Office of Latin American Public Diplomacy reported to the  
707 | rig rather than the SPG?

708 | .    A    No, I want to differentiate that it was important,  
709 | as described in here, that if you have a Presidential  
710 | appointment, you have--as a Presidential representative, you  
711 | have a much better chance of mobilizing and orchestrating  
712 | the community in this area, and it was our judgment at that  
713 | time that we had--we had a much better chance of getting  
714 | people to move forward and respond, if Otto was a  
715 | Presidential appointment.

716 | .           But to get the job done on a day in-day out basis,  
717 | he was working closely with the policy people in ARA, and I  
718 | was not sitting and formulating policy. Public diplomacy is  
719 | not involved in policy, it is involved in supporting policy,  
720 | so where is he going to get it, not from me, so he got it  
721 | from the interagency group that was chaired most of the  
722 | time, to the best of my knowledge, by the Assistant  
723 | Secretary for ARA.

724 | .    2    So, Otto Reich reported to Tony Motley?

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725 . A He was getting his policy guidance from Tony Motley.  
726 . Q But he didn't report--  
727 . A Only was kept briefed thoroughly on what he was  
728 doing and worked--I mean, their offices were three doors  
729 apart. They would attend staff meetings together, they  
730 would discuss issues on a constant basis. He would be  
731 working with the ARA people, because anything he was doing  
732 with their geography, he obviously has to work closely with  
733 them, but he did have the extra capability of reporting to  
734 the White House in the form of the Chairman of the SPG and  
735 in the first year, when we were establishing Otto's  
736 credentials and his organization, we had several SPG  
737 meetings where Otto would come and would brief.  
738 . Now, in terms of guidance, we had also a formula  
739 known as the Central American Public Diplomacy Action Plan,  
740 and we would ask his office to produce periodically an  
741 action plan which dealt with the issues, the policies, the  
742 thrust, the themes, the goals and a lot of it was focused on  
743 overseas audiences, because we felt at that time that one of  
744 the things which was most difficult from the Central  
745 American situation was what we felt--it was excessive amount  
746 of support received by certain circles--received by the  
747 Nicaraguans from certain circles in Europe.  
748 . So, we were trying to get the information known in  
749 Europe as to what was going on in Central America.

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750 . Q And at the time you wrote this memorandum  
 751 recommending Otto Reich and this structure and the draft  
 752 memo for Mr. Clark to Secretary Shultz, you were still at  
 753 that time the Senior Director for Intelligence on the NSC;  
 754 is that correct? You had indicated earlier that you moved  
 755 over in July 1983 to this new position.

756 . A I had about one or two months left there, yeah, and  
 757 I was, as you can see from this memo, already rather deeply  
 758 involved in my new responsibility, and it was this kind of  
 759 involvement which obviously prompted Bill Clark to suggest  
 760 that I take the public diplomacy coordinator <sup>no</sup> ~~was~~.

761 . I was spending an increasing amount of time there,  
 762 and it was an anomaly, because it wasn't intelligence, and  
 763 it did--was not consistent, so we felt that reorganization  
 764 would be very helpful.

765 . Q But basically, you began early on to become involved  
 766 in the public diplomacy effort long before you took over  
 767 this position, before this new position was created?

768 . A Somewhat before, because it was only 11 or 12 months  
 769 from the time I joined the NSC before I got into the new  
 770 assignment.

771 . Q So, actually the LPD and the SPG itself actually  
 772 preceded this International Communications and Public  
 773 Diplomacy Section at the NSC?

774 . A That is correct, but I would say at NSC, <sup>you</sup> have some

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775 30-some-odd staffers, this is not abnormal in the sense that  
776 you would take people in the staff who had a specialty and  
777 there were frequently officers in the staff who were doing  
778 three and four and five different things, and since you are  
779 where you are at the MSC, an MSC officer, I mean that is  
780 your responsibility.

781 . You do not belong to State or Defense or any other  
782 organization. You belong to the MSC. This is not abnormal  
783 to have somebody take on a special responsibility. When it  
784 becomes obvious that that extra responsibility is one which  
785 is a growth industry and one which your supervisor feels  
786 that perhaps you would be logical to do, then it makes sense  
787 to make some changes and have it be your full-time job than  
788 a part-time, so I don't feel it is unusual that somebody in  
789 the MSC would be picked up to take on a special task if he  
790 has a skill in that area.

791 . Q At the time that this Office of Latin American  
792 Public Diplomacy was created in the State Department  
793 reporting to the SPG, was there another office in the White  
794 House called the Office of Public Liaison that was engaged  
795 in a program called the Central American Outreach Program?

796 . A Yes. I can't fix the dates. I can extrapolate the  
797 dates from this memorandum here, but Faith Whittlesey, as  
798 this memo suggests, was involved in an outreach group. One  
799 of the issues that is threaded through Exhibit 2 is a

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800 concern from the NSC that the outreach group be consistent  
801 with policy, and what she was doing was an informational  
802 program. She would bring people in and get people to talk  
803 about Central American policy. We just wanted to be sure  
804 she was talking about the policy of the United States  
805 Government.

806 . Q So, did she report to the SPG also?

807 . A No, she reported to Jim Baker.

808 . Q So, you had a--you had an Office of Public Liaison  
809 with the Central American Outreach Program?

810 . A But that is across the board. In other words, it  
811 could be dealing with privatization. It could be dealing  
812 with church groups, Jewish groups, it could be dealing with  
813 any issue that affects the President's agenda, domestic or  
814 foreign.

815 . It just so happens that she had a very special  
816 interest in Central America and got very involved with it  
817 and spent a lot of time in it, and it was encouraged. I  
818 don't suggest that she was not operating consistent with the  
819 desires of the President.

820 . Q Well, what was the difference between what LPD was  
821 doing or set up to do, and what the Central American  
822 Outreach Program was doing and set up to do in the White  
823 House?

824 . A Well, first of all, the LPD at various stages could

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825 be as much as 10 people and they would produce--  
 826 . 2 But initially it was just one person?  
 827 . A Well, here is where part--there is a reference there  
 828 to concerns about Dick Stone and how he was getting the job  
 829 done. This is unfair to Dick in a way. Dick had a staff of  
 830 one, himself and one assistant, so there was only one way  
 831 that he could deal with it, and that was, as I say in this  
 832 memo, sort of the big picture.

833 . If we wanted to have a lot of material produced, you  
 834 have to get some horses to produce the material. Otto was  
 835 able to put together a team with the support of the  
 836 Secretary and the support of Bill Clark, so production could  
 837 come on line, and it is a matter of public record. I  
 838 mean--and you can see it. There is a great deal of  
 839 production he produced, and his office produced, and was  
 840 made available publicly and through appropriate channels.

841 . Faith Whittlesey had a very small office and had--I  
 842 don't know, maybe one or two people who had as a rather  
 843 special interest Central America at most. Her purpose  
 844 wasn't to--was much more restricted than Otto Reich's. I  
 845 mean, she was trying to bring in groups into <sup>(Room)</sup> 450 in the  
 846 White House or into smaller groups, sit down and discuss the  
 847 program in Central America, meet with people, and needless  
 848 to say, get the President's policies known to a broader  
 849 group of people, to generate support for the policy. But it

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850 is different.

851 . 2 On page 2 of Exhibit 2, you recommended that Mike  
852 Ledeon and John Glassman should be added immediately to the  
853 Office of Central American Public Diplomacy. Why did  
854 that--did that happen or, if not, why not?

855 . 1 My recollection is that Glassman may have  
856 joined--Glassman is a very fine writer, is a professional  
857 ~~man~~. At least I know him as being a Department of State  
858 officer. And if he joined it was for a matter of a few  
859 months, because he was then given another assignment, I  
860 think a promotion.

861 . Mike Ledeon never joined the office. He did--if I  
862 recall correctly--some contract writing for the group, but he  
863 became principally preoccupied very shortly after this, very  
864 shortly after this with the whole question of the Grenada  
865 documentation, and this was something which was in effect  
866 encouraged directly or indirectly by Otto Reich's office,  
867 because to tell the Grenada story was a rather graphic case  
868 as far as we were concerned of one of the potential dangers  
869 of Cuban interference or involvement in countries in that  
870 region, and Mike became extremely preoccupied with that, as  
871 you know produced a book, pulled the documents together and  
872 produced a book, and I don't think, to the best of my  
873 recollection--I could be wrong--he did anything else with Otto  
874 Reich other than the Grenada thing.

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875 . Q What was his position at the time you recommended  
876 him?

877 . A He was essentially a free-lance. He was trying to  
878 develop some business interests. He had left the Department  
879 of State coincident with the departure of Secretary Haig,  
880 and he was engaged in some consultancy work. I believe the  
881 Department of Defense. Somewhere along the line, I am aware  
882 of the fact that I don't know when--I know he became a  
883 consultant to the NSC.

884 . I listened to the hearings about this, but I don't  
885 know when he did that, and that was--as far as I can  
886 extrapolate from what I hear in the press and so on, it had  
887 to do with issues which were quite remote from mine.

888 . Q What was the genesis of your recommending him for  
889 this job?

890 . A He is a good writer.

891 . Q And how did you--you had worked with him--

892 . A I hardly knew him. I read his writings. I don't  
893 even know Glassman. These are people who had been called to  
894 my attention as people who were good writers. I was looking  
895 for resource people. We were thinking about who can write,  
896 who can take a clump of raw material and put together a good  
897 study.

898 . I mean, an example--I just brought this, and you have  
899 probably seen this, but this is--these are laborious efforts.

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900 These are three of Otto Reich's things. You have probably  
901 seen them all. They are all public domain, but this takes a  
902 lot of work and a good writer, and at the time we were  
903 starting this, we were simply--we had to start, we wanted to  
904 put a good team together, and we were looking around for  
905 people who could write.

906 . Q Did you interview Mike Ledeen?

907 . A I did not get involved in the ins and outs of  
908 management of Otto Reich's office.

909 . Q This memorandum recommends that he be added to the  
910 Office of Latin American or Central American Public  
911 Diplomacy immediately.

912 . A Um-hum.

913 . Q If you didn't interview him, and you hadn't really  
914 worked with him, why did you make this recommendation? Was  
915 this actually somebody else's recommendation?

916 . A It is a little bit like the Otto Reich who  
917 recommended Otto Reich. I mean this was, again, a question  
918 of A being somewhat aware of material that had been written  
919 and was in the public domain, but also going around town and  
920 trying to find out who was a good writer, and in a sense who  
921 might be available.

922 . Now, at that point in time, Ledeen, if I recall  
923 correctly, was relatively available. He had left State, and  
924 he did not have a full-time job. So the thought was that

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925 this is a good writer who might be able to help, and there  
926 really wasn't anything more than that.

927 . Q Nobody recommended him to you?

928 . A Someone may have,

929 . Q Do you remember who?

930 . A But I do not remember who it was.

931 . Q Want to take a five-minute break now?

932 . A Okay.

933 . MR. OLIVER: We will just take a five-minute break.

934 . [Recess.]

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936 . MR. OLIVER: All right, back on the record.

937 . I would like the reporter to make this document as  
938 Walt Raymond Exhibit 3.939 . [Walter Raymond Exhibit No. 3 was marked for  
940 identification.]941 . MR. OLIVER: It is a memorandum from Walt Raymond,  
942 Jr. to William P. Clark, dated May 20, 1983. It is a weekly  
943 report, and the committee identification number is M-30915.

944 . BY MR. OLIVER:

945 . Q All right, Mr. Raymond, I would like you to look at  
946 that memorandum and to identify it. Is that a weekly report  
947 to Mr. Clark signed by you?

948 . A Yes, it is.

949 . Q In the first paragraph, in the last sentence, there  
950 is a reference to a Coalition for Democratic Central  
951 America, for the establishment of a Coalition for a  
952 Democratic Central America. Could you tell me what that  
953 refers to, and rather--whether such a coalition was ever  
954 formed?955 . A Let me just quickly read through the first  
956 paragraphs here. To the best of my recollection, I don't  
957 think that organization ever did--I don't think that  
958 organization ever was formed. She met with a number of  
959 people in the private sector that were concerned about**UNCLASSIFIED**

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960 Central America, and there was a lot of discussion there and  
961 other places about the possibility of some kind of a  
962 coalition, thinking--the title is very similar to a Coalition  
963 for a Democratic Majority or Committee for Present Danger,  
964 groups formed in the seventies.

965 . To the best of my knowledge, this one was never  
966 created.

967 . Q I would like the reporter to make this as Walt  
968 Raymond Exhibit No. 4.

969 . [Walter Raymond Exhibit No. 4 was marked for  
970 identification.]

971 . MR. OLIVER: It is a memorandum from Walt Raymond,  
972 Jr. to William P. Clark dated May 27, 1983. The committee  
973 identification number is N-30910.

974 . BY MR. OLIVER:

975 . Q I would like to ask you to look at that memorandum,  
976 Mr. Raymond. Is that a weekly report signed by you to  
977 William Clark?

978 . A Yes, it is.

979 . Q Dated May 27, 1983.

980 . A Correct.

981 . Q In that memorandum, in paragraph two, you refer to  
982 Otto Reich, who has Jeane Kirkpatrick's strong endorsement.  
983 is a very hard, dedicated worker who will make the process  
984 effective. That memorandum seems to indicate that there

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985 is--that you are having some difficulty or there is some  
986 resistance to the naming of Otto Reich.

987 . Do you recall whether or not that was the case?

988 . A I know it took a while to get the agreement. I do  
989 think it reflects the fact that we had, as I mentioned to  
990 you previously, that we had--that we, in this case Mr. Clark,  
991 had indicated that he wanted to have State Department  
992 ~~agreement~~<sup>ing</sup> to the naming of Ambassador Reich, and I cannot  
993 recall whether this was a problem in the Department or just  
994 simply bureaucracy taking a long time to move forward,  
995 because a lot of things were happening at the time.

996 . It reflects--it could reflect either--and I can't put  
997 myself into this memo to four years ago. It reflects either  
998 bureaucratic inertia or a bureaucratic problem, and I don't  
999 recall which it was.

1000 . Q Were you dissatisfied with what Faith Whittlesey was  
1001 doing at that time?

1002 . A I wanted to be sure that it was not inconsistent  
1003 with policy and as reflected in an earlier--the previous  
1004 week's memo, clearly there was a considerable degree of  
1005 energy being expended in the Whittlesey office, and I was,  
1006 hopefully it could be a little closer coordination, but we  
1007 had to have ahead of the Public Diplomacy Office to make it  
1008 work.

1009 . Q Would it be fair to say you were driving the effort

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1010 to create this office and have it report to the SPG and to  
1011 have Otto Reich named as the head of it?

1012 . A No, it would be fair to say that Mr. Clark, on  
1013 behalf of the President, was very, very anxious to see to it  
1014 that it was a sharply focused public diplomacy effort, and I  
1015 was asked to do what I could to carry that out, but this was  
1016 something which was coming from the highest levels of the  
1017 government, the desire to see to it that we get <sup>our</sup> ~~out~~ story  
1018 out as effectively as possible.

1019 . 2 Did Mr. Clark recommend Otto Reich to you?

1020 . A I--as I mentioned previously, I am not sure of the  
1021 action genesis of Otto Reich. I believe, among others,  
1022 Jeane Kirkpatrick was a strong endorser. Jeane Kirkpatrick,  
1023 by being a member of the Cabinet, was in close contact with  
1024 Mr. Clark, and I took some soundings also and shared my  
1025 soundings.

1026 . Dick Stone, of course, fellow Floridian, strongly  
1027 supported Otto Reich. It is hard to know whose  
1028 recommendation was the principal one. May well be that Dick  
1029 Stone, who is highly respected by Bill Clark, was the pivot  
1030 person. I can't recall that, but he certainly played a  
1031 role, and Reich was a very good man.

1032 . 2 I would like to ask the reporter to mark this as the  
1033 next document as Walt Raymond Exhibit 5.

1034 . [Walter Raymond Exhibit No. 5 was marked for

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1035 identification.]

1036 . MR. OLIVER: This is a memorandum from Walt Raymond,  
 1037 Jr. to William P. Clark dated August 9, 1983, has a  
 1038 committee identification number, M-33450.

1039 . BY MR. OLIVER:

1040 . Q I would like to ask you to examine that memorandum,  
 1041 Mr. Raymond, and ask you if you recall sending that  
 1042 memorandum to Mr. Clark?

1043 . A This is a very interesting document. The answer is  
 1044 no.

1045 . Q I might indicate--

1046 . A I don't think this is--I have seen another memo--as a  
 1047 a matter of fact, was made available to me by the press on a  
 1048 subject that started like this, a number of the documents  
 1049 that happened to be in one or another of the packages.

1050 . This is sort of like it, but it is not like it. The  
 1051 distinction, I think, is that this one is not signed, so I  
 1052 would say that it is <sup>ED</sup>may be a draft that I was working on,  
 1053 looks at, thought about and may have talked to some people  
 1054 about it, but for various reasons, felt that some of the  
 1055 things in here were wrong, or some of the recommendations  
 1056 were poor and weren't the kinds of things we should be  
 1057 doing, and therefore, it was not sent forward.

1058 . MR. LEON: Did you normally sign your memos?

1059 . THE WITNESS: Absolutely.

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1060 . MR. LEON: Where would you put the signature?  
1061 . THE WITNESS: Right there on the top.  
1062 . MR. LEON: Right next to the "from"?  
1063 . THE WITNESS: Yes.  
1064 . BY MR. OLIVER:  
1065 . 2 I would like to ask you to--ask the reporter to mark  
1066 this as Walt Raymond Exhibit No. 6.  
1067 . It is a memorandum from Walt Raymond, Jr. to John M.  
1068 Poindexter, dated August 29, 1983. It bears the committee  
1069 identification number M-33440 through 442--make sure I have  
1070 got the right--no, I have got the wrong piece of paper here.  
1071 . Would you mark this--document as Exhibit No. 6,  
1072 please?  
1073 . [Walter Raymond Exhibit No. 6 was marked for  
1074 identification.]  
1075 . MR. OLIVER: Actually, this--I would like you to  
1076 examine this document, Mr. Raymond. It is a memorandum from  
1077 you that was signed, which was like the other--like Exhibit  
1078 5, provided to us from your files by the FBI, and it is a  
1079 memorandum from you which attaches the memo of August 9,  
1080 which I believe is the same memorandum as Exhibit 5--it  
1081 simply doesn't have the third page on it.  
1082 . THE WITNESS: Okay, I have read this thing.  
1083 . BY MR. OLIVER:  
1084 . 2 Now, does that--that signed memorandum and the

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1085 attachment, are the first two pages that are attached there  
1086 the same memorandum as Exhibit 5?  
1087 . A I have to go line to line out, but it looks close.  
1088 Let's see.  
1089 . MR. McGRATH: Have you guys done a line-by-line? Do  
1090 you know?  
1091 . MR. OLIVER: Yeah.  
1092 . MR. McGRATH: And you would represent that they are  
1093 the same?  
1094 . MR. OLIVER: Yes.  
1095 . MR. McGRATH: All right.  
1096 . BY MR. OLIVER:  
1097 . Q Does that refresh your memory about whether or not  
1098 that memorandum went forward?  
1099 . A Well, I--yeah. I frankly remember very clearly the  
1100 issue that caused this memo to be written, and that was a  
1101 great number of people were doing things all around town,  
1102 and they were all more or less concerned about the need to  
1103 create some kind of a bipartisan coalition of concerned  
1104 citizens, as I said in the first paragraph.  
1105 . And we were struggling with this problem. That was  
1106 reflected in a couple of my earlier weekly reports to Bill  
1107 Clark, and I--all I can do to reconstruct this now is to say  
1108 that--it is possible that I sent forward this attachment,  
1109 even though it is not initialled to John Poindexter just to

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1110 illustrate the problem we were dealing with, and also  
1111 reflected, as you see in my third paragraph in the cover  
1112 memorandum, that--under John Poindexter's recommendations,  
1113 clearly this is not an issue for the MSC or for the White  
1114 House to take on, and if anybody does it, State--but not for  
1115 the White House, the MSC, so I think that the memo recreates  
1116 a problem, that the recommendation or the discussion of  
1117 possible solutions was already redirected by informal  
1118 conversation and reflected in the cover memorandum.

1119 . 2 I would like to focus for a minute on the August 9,  
1120 1983 memorandum that you have sent forward.

1121 . A All right.

1122 . 2 On the 29th of August.

1123 . A All right. This is all three pages.

1124 . 2 Yes, all three pages, Exhibit 5.

1125 . A Okay.

1126 . 2 The second line of the first paragraph indicates  
1127 that various proposals call for the creation of a bipartisan  
1128 coalition of concerned citizens to generate majority support  
1129 for the President's policies.

1130 . A Um-hum.

1131 . 2 Isn't this pretty much the same thing as the  
1132 coalition that was referred to in the May memorandum, same  
1133 idea?

1134 . MR. McGRATH: Do you recall which May memo you are

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1135 referring to?

1136 . MR. OLIVER: The memo, Exhibit 3, that I referred to  
1137 earlier.

1138 . THE WITNESS: The answer--it is the same generic  
1139 idea, yes, the Coalition for a Democratic Majority,  
1140 Coalition for a Democratic Central America. What I was  
1141 simply highlighting was the issue was being discussed in  
1142 May.

1143 . I continued to get reports of various efforts all  
1144 around town to try to do this, so I summarized these to Bill  
1145 Clark, and say, look at here are some of the proposals known  
1146 to me. There may be others and we got kind of a problem,  
1147 everybody is running around.

1148 . That is basically the point I was trying to make to  
1149 him, and as you can see, it served--I mean, reconstructing  
1150 simply the paper trail in front of me, it appears that it  
1151 served as the basis for a conversation that took place  
1152 between John Poindexter and Bill Clark, or maybe not even  
1153 that much. It may have been just John Poindexter's  
1154 recommendations that this be deflected or sent over to State  
1155 and discussed with State, and that is the end of it that I  
1156 am aware of.

1157 . BY MR. OLIVER:

1158 . Q: On Exhibit 5, on the second paragraph, it indicates  
1159 that a group of public relations specialists met with Bill

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1160 Casey a few days ago. Why were they meeting with Bill

1161 Casey?

1162 . A I am factually reporting what happened. Bill Casey,  
1163 as you know--while he was the DCI, he was a member of the  
1164 Cabinet and member of the NSC and was personally very  
1165 concerned about Central America, so I can only conclude that  
1166 drawing to some degree from his private life before the  
1167 agency that he brought people together and asked some  
1168 questions as to how the story could be more effectively  
1169 handled.

1170 . He did it, obviously, I would have to conclude not  
1171 so much in his CIA hat, but in his advisor to the President  
1172 hat.

1173 . Q How did you know about the meeting?

1174 . A I can't specifically state. I--

1175 . Q Were you--

1176 . A --trying to see any indication in here--no, I don't  
1177 remember--recall the facts of how I learned about the  
1178 meeting.

1179 . Q You weren't present at the meeting?

1180 . A No, I was not.

1181 . Q And you don't remember how you learned about this  
1182 meeting with Casey?

1183 . A I may have learned about it from Faith. I don't  
1184 recall precisely, but Faith met with these people, and--that

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1185 may be my source. I honestly don't remember exactly how I  
1186 found out that Bill Casey met with them.

1187 . Q As you go through this memorandum, there are  
1188 references to several different meetings of public relations  
1189 specialists and individuals. The second paragraph refers to  
1190 a group that includes yourself, Faith Whittlesey, Charlie  
1191 Wick, Alan Bell and Tom Korelegos, and it indicated that you  
1192 focused on the hiring of a public relations firm.

1193 . A Right.

1194 . Q And that that group recommended Ron Messen.

1195 . A Right.

1196 . Q And that Messen subsequently submitted a proposal.  
1197 My question is, who asked Messen to present a proposal?

1198 . A I don't recall. It was not Wick, it was not  
1199 Raymond. It is whittling it down to the other three. I  
1200 don't know. I know that no contract was ever let to Ron  
1201 Messen.

1202 . Q How did you know that a proposal had been presented?

1203 . A Again by extrapolation, I think I was aware of it  
1204 from--from Faith.

1205 . Q Did you ever see the proposal?

1206 . A I--I don't think so. I think we discussed the  
1207 outline, but I don't think I saw the proposal.

1208 . Q Who organized the meeting? Who invited you to come?

1209 . A My recollection is it was probably generated by

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1210 Faith, and it was an effort to try to draw back a little bit  
1211 and ask people--you know, what is the problem? We have got a  
1212 knowledgeable--we have got an information gap of very serious  
1213 proportions out there in the country. If you ask people if  
1214 they can identify on a map where is Central America, what is  
1215 Nicaragua, what is El Salvador, the answer is remarkably  
1216 low.

1217 . How are we going to get this story out? And a lot  
1218 of people--what this memo really reflects is an enormous  
1219 frustration that was in the body politic of Washington in  
1220 mid-1983. Everybody was popping up and saying, what are we  
1221 going to do about this problem, and groups were meeting all  
1222 around town trying to come up with an answer.

1223 . Casey calls people in and says, what are we going to  
1224 do? Faith calls people in. That is what you got here, and  
1225 I can--you know, certain actions presumably can be identified  
1226 as having taken place from all this running around, but  
1227 no--no overall body, no Coalition for a Democratic Majority  
1228 in Central America or something like that ever was  
1229 created--unfortunately. I think--

1230 . 2 You indicated in the first paragraph that the  
1231 overall purpose would be to sell a "new product", Central  
1232 America, by generating interest across the spectrum. Was  
1233 that the purpose of the whole exercise of talking to these  
1234 various groups and public relations specialists?

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1235 . A Certainly a major purpose. We were--one person told  
1236 us--I don't remember which specialist, but said you can't  
1237 sell a product if only six people in the country know of it,  
1238 and you have got to have people understand what the issues  
1239 are, and its relationship to U.S. national security.

1240 . So, what I think is a key factor that keeps popping  
1241 up, and that is certainly the bottom line of that first  
1242 paragraph.

1243 . Q The third paragraph indicates that Faith told  
1244 Charlie Wick that she had the prospect of funding from the  
1245 Mellon-Scaife Organization, and in parentheses, it says,  
1246 Terry Slease. How did you learn that?

1247 . A I believe I learned that from Faith. I had never  
1248 met Slease or Cantrell. And I have no knowledge personally  
1249 of whatever came of that particular paragraph. Again, I was  
1250 trying to be a spokesperson, as much as I could, to report  
1251 to Bill Clark all the movement out there, and let him know  
1252 there was an awful lot of people moving around that thing.

1253 . Q Well, was there an effort in the White House to try  
1254 to encourage the funding of private efforts on behalf of the  
1255 President related to Central America?

1256 . A Any discussion--I can't answer that definitively. I  
1257 certainly can't speak for the Office of Public Liaison.  
1258 Clearly, there was a feeling that an informational program  
1259 was sorely lacking, and if--this would have to be done by

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1260 private groups if it were to be--there would be a--some of  
1261 this would have to be something which does not involve the  
1262 United States.

1263 . In other words, that is why we were talking about  
1264 bipartisan. Not trying to make it a one-way thing. It was  
1265 an informational, educational problem, as we saw it, and--  
1266 . Q Were you tasked by anyone to try to pull these  
1267 proposals together and to see if such a group can be created  
1268 or funded?

1269 . A I wasn't tasked to creating any group nor was I--I  
1270 don't think there is anything here to suggest that I was  
1271 aware that all of this was moving around, and I was really  
1272 essentially presenting it to my superiors and trying to  
1273 interpret what I was hearing out there and where they  
1274 appeared to be heading.

1275 . Q Well, were you the one who was synthesizing and  
1276 coordinating these proposals in these meetings?

1277 . A No.

1278 . Q Was somebody--

1279 . A That is the problem. There was no central point  
1280 and--

1281 . Q But your memoranda in May and in--earlier in August  
1282 and so on related to the SPG and LPD and so on, and seemed  
1283 to have been directed toward creating that kind of a central  
1284 focus point, and in July, a month or so before this--this

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1285 memorandum was written, you took over as the head of this  
1286 International Communications and Public Diplomacy Section  
1287 and chaired these various groups.

1288 . I mean, if it wasn't you, who was it?

1289 . A Well, first of all--I didn't take over the Central  
1290 American issue. I was dealing with issues that covered the  
1291 entire world and various functional cuts as well,  
1292 information and political broadcasting, so my ability to  
1293 spend time and focus on one issue or another like Central  
1294 America was very limited, and it is why the Otto Reich  
1295 office--and as soon as it really became operative, and it did  
1296 as 1983, began to roll on, became the key coordinating  
1297 point.

1298 . As you can see from several of the memoranda to Bill  
1299 Clark, there was a disparate void there for a while, and I  
1300 kept urging the Reich appointment there for a while as  
1301 quickly as possible, because we had a lot of spontaneous  
1302 activity popping up here, there and the other place.

1303 . Faith Whittlesey was quite active, and we did not  
1304 have a public diplomacy coordinator, and I wasn't the public  
1305 diplomacy coordinator for Central America, but I was getting  
1306 calls and various types of people were coming up, many of  
1307 which I identified in here, and asking this, that and the  
1308 other thing, so I was trying to at least bring this  
1309 development to the attention of Bill Clark.

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1310 . Q On page 2 of--Exhibit 5, you indicate that "Roy  
1311 Godson and I have discussed this, and we are concerned that  
1312 efforts undertaken by Faith's office tend to be combined  
1313 through the preaching to the converted. We recommended  
1314 funding via Freedom House or some other structure that has  
1315 credibility in the political center."

1316 . Who did you recommend that to?

1317 . A I can't remember. The basic point that is made  
1318 there was a concern that we had with the Faith Whittlesey  
1319 exercise, and one of the reasons why we wanted to get the  
1320 Otto Reich program launched, because we did not feel that  
1321 the Central American issue was one which could successfully  
1322 be discussed if it were a--if it were characterized as a kind  
1323 of a right-wing, exclusive issue, and we felt that it was,  
1324 and of course it is replicated on Capitol Hill, where a  
1325 number of Democrats supported this that we felt it was an  
1326 issue that could generate broad support, and if we have an  
1327 informational effort that is broadly based, it is obviously  
1328 much more successful.

1329 . Now, lurking around through all of this, and I  
1330 understand your question, and I realize my answers are not  
1331 totally complete, because we are dealing with fragments.  
1332 That is part of the problem. There was a feeling that if  
1333 you could somehow generate, if you could somehow create a  
1334 Coalition for a Democratic Majority, and the reason a

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1335 Freedom House--we could have put the word A in front of it--is  
 1336 suggesting you are talking about something that has  
 1337 credibility in the world, and is viewed as a mainstream and  
 1338 not right or left-wing, but that is clearly a private sector  
 1339 initiative.

1340 . The problem is, how do you interface with public and  
 1341 private sector for these programs, and this is an issue  
 1342 which was causing me some anxiety, and I tried to see to it  
 1343 that we kept public and private separate, but there was a  
 1344 need for private people to speak out and be heard on the  
 1345 issue.

1346 . Q For the record, could you identify Roy Gessen and  
 1347 tell me who he is?

1348 . A At that juncture, if I recall correctly, of course,  
 1349 he was a professor at Georgetown, is a Professor at  
 1350 Georgetown, is--I believe his title is Washington Director of  
 1351 the National Strategy Information Center, and at that time,  
 1352 was a part-time consultant to the NSC.

1353 . Q In August of 1983.

1354 . A I believe so.

1355 . Q Who did he report to? Did he report to you? Was he  
 1356 a consultant to your Division? Or your sector?

1357 . A Over a period of about three years, and I am not  
 1358 absolutely certain <sup>what</sup> whether the date is that he became a  
 1359 consultant, but it is about this time, possibly before he

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1360 did some consultancy work with several elements in the NSC,  
1361 including limited amounts of work with me, very limited.

1362 . I mean--occasionally--

1363 . Q Do you know who hired him at the NSC?

1364 . A Not for sure. Probably Bill Clark, but I don't know  
1365 that for an absolute certainty.

1366 . Q Why were you meeting with him about this public  
1367 relations private effort?

1368 . A Well, partially because he was in the NSC, had  
1369 clearances, had been interested in the whole concept of  
1370 outreach programs, and he used in a sense the NSIC as sort  
1371 of an outreach group, and he also was in touch with Faith,  
1372 so that we--you know, we were in contact with each other on  
1373 some--because of some issues that were--I mean, not issues,  
1374 but we were in contact with each other, because we were in  
1375 some cases talking about the same subject.

1376 . Q When did you first meet Roy Godson?

1377 . A I guess shortly <sup>after</sup> I joined the NSC. I don't think I  
1378 had ever known him before, and in the context of his partial  
1379 consultancy.

1380 . Q You don't recall meeting him during the transition?

1381 . A No, no. Knew his father, but I did not know him.

1382 . Q There are several other proposals of individuals  
1383 mentioned in here, but the bottom line in the last  
1384 paragraph, or not the bottom line, but it seems to be the

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1385 last paragraph, indicates that you think there is a  
1386 consensus that we should strive for the creation--I am  
1387 quoting from the last sentence on page 2--I think there is a  
1388 consensus that we should strive for the creation of a  
1389 genuinely bipartisan, centrist structure to generate public  
1390 support around the issue of Central America.

1391 . Then it goes on to say, if we agree<sup>or</sup> that we will set  
1392 up a committee and select an activist to put the thing  
1393 together, most other issues fall in line. Fund-raising,  
1394 marketing, substantive input.

1395 . What--

1396 . A What I was sharing with him is just the fact that it  
1397 seems most of the people were saying we need a Coalition for  
1398 a Democratic Majority. We need a Coalition for Present  
1399 Danger, and a Coalition for Central America, and that seems  
1400 to be where we are, and there is--I would say if I were to  
1401 write this again, I don't think the syntax--well, I don't  
1402 think the wording is particularly suitable, if we agree.

1403 . I am really speaking if we go along with the  
1404 analysis served up to us by the 10 people before this is  
1405 where we seem to be heading, and I was speaking in sort of a  
1406 collective "we" there, but I was trying to tell him that  
1407 we have got all these people running around town.

1408 . This seems to be where it is, and seems like  
1409 something which would be useful.

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1410 . Q Well, you are saying there that we will set up a  
1411 committee and then in the last paragraph, you recommend that  
1412 Peter Dailey be asked to put the group together to spend a  
1413 month doing it, and turn it over to an outside coordinator,  
1414 as you mentioned a couple names of people who had been  
1415 recommended in earlier paragraphs.

1416 . Was it your responsibility to create this group?

1417 . A No.

1418 . Q What was this exercise all about?

1419 . A Exercise all about is that I was conscious of the  
1420 fact that there was a real problem, and try to find some way  
1421 to get the story more effectively told in the country, and a  
1422 great number of people were coming to me and to other  
1423 people, and they all seemed to be saying the same thing, the  
1424 bottom line of which was there is a need for this type of a  
1425 coalition, and you know, if we are going to be doing this  
1426 kind of thing, this is the sort of thing needed, and if you  
1427 are going to do that sort of thing, somebody who understands  
1428 this business is going to have to put it together like a  
1429 Peter Dailey.

1430 . That is what it was--I was basically drawing the  
1431 conclusions out of all this massive information, which  
1432 was--which was coming in from different people. The fact is  
1433 nothing happened.

1434 . Q Well, you indicate that a principal--a central office

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1435 in the U.S. Government should be identified as the principal  
1436 point with this outside, independent group, and you indicate  
1437 that it would be difficult for Faith to do it, because two  
1438 of the principal audiences would be Congress and the media.  
1439 Was it--was that the purpose of this group, to influence the  
1440 Congress and the media? Was that what the consensus was of  
1441 these discussions?

1442 . A I think these discussions and, of course, not all of  
1443 them, some of them are a great raft of different types of  
1444 people there, but the discussions focused largely over the  
1445 fact that there was an enormous educational problem, and we  
1446 had to get that story--we had to get the story out, and that  
1447 if we were--if you are interested in getting it out, these  
1448 people are all telling you, is essentially you are going to  
1449 have to create something like a Committee for Present Danger  
1450 and going to have to get some kind of an activist to do it.

1451 . Now, there is an informational problem, and they  
1452 need to have some point in the government where they can  
1453 receive written materials like this, and the logical place--

1454 . MR. LEON: Would you identify for the record, Mr.  
1455 Raymond, what it was you referred to?

1456 . THE WITNESS: This is a document produced by  
1457 Department of State--better one would be the one over  
1458 there--produced by the Department of State's Office of Public  
1459 Liaison--Office of LPD--

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1460 . MR. OLIVER: Let the record indicate that Mr.  
1461 Raymond has several documents produced by the Office of  
1462 Latin American Public Diplomacy and the State Department  
1463 with which the committee is familiar.

1464 . THE WITNESS: It could be LPD, it could be  
1465 Secretary, or whatever, but I think--it was the  
1466 recommendation of John Poindexter if anything like that  
1467 happened, it should be the Department of State.

1468 . BY MR. OLIVER:

1469 . Q You say in there that--when you sort of say that  
1470 Faith Whittlesey's mandate would make it difficult for her  
1471 to meet with committees of Congress, that this might argue  
1472 for keeping the contract within the public diplomacy context  
1473 where substantive support could be supplied as requested.

1474 . What do you mean by that?

1475 . A I mean that if you got a group of people who are  
1476 concerned citizens about Central America, that if they  
1477 requested information, they would be able to receive it, and  
1478 this is--this is possible, American citizens can do this, and  
1479 they would be able to get this type of material.

1480 . Q Did you--you recommended that Peter Dailey be asked  
1481 to put the group together?

1482 . A Um-hum.

1483 . Q Was he asked to put the group together?

1484 . A To the best of my knowledge, nothing ever happened.

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1485 . Q Did you ever discuss it with Peter Dailey?

1486 . A Not--not in this time frame. Peter, after the INF

1487 debate, went back to Ireland, and I think the general

1488 feeling was he would be out of--out of Ireland long enough,

1489 and he needed to stay there, because he had been out for a

1490 couple of months.

1491 . Again, I repeat that--I mean, one can argue this both

1492 ways, but what this memo actually reflects--and the ones

1493 previous--a series of frustrations that existed in Washington

1494 and need to try to find some way to have a--and I kept

1495 reiterating throughout everything I write, genuinely

1496 bipartisan, centralist organization designed to engage in

1497 information, and that is what is stated here initially,

1498 informational programs, and this was basically where my

1499 thrust was.

1500 . Now, that doesn't mean to say you may not find

1501 various testimony and other discussions, other people who

1502 had different approaches, but I was basically interested in

1503 trying to get the story out.

1504 . Q Primarily, the effort was directed to trying to

1505 increase the support for the President's policy in Central

1506 America?

1507 . A Absolutely.

1508 . Q Did you ever discuss this with Peter Dailey?

1509 . A I have discussed Central America with Peter Dailey

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1510 at various stages, yes.

1511 . Q Did you discuss this idea with Peter Dailey--

1512 . A I don't believe I discussed this idea with Peter  
1513 Dailey in 1983.

1514 . Q When did you discuss it with him?

1515 . A We discussed it at a subsequent date, and I would  
1516 have to do some homework on that. I think--I think it comes  
1517 back up on the screen and it is in something you have got  
1518 here in 1986.

1519 . Q You made this recommendation. What happened to it?

1520 . A Well, I think--again, if memory serves properly,  
1521 nothing. What happened is Faith Whittlesay continued to do  
1522 her outreach, Otto Reich came on, put a staff together and  
1523 started producing a lot of material, but we never did, to  
1524 the best of my recollection, unless something happened I  
1525 wasn't aware of, construct a coalition in the sense that I  
1526 am talking about.

1527 . I mean, there may be other organizations, but I was  
1528 talking about a broad-based, bipartisan structure.

1529 . Q So, all of this--all of these meetings with all of  
1530 these public relations specialists and consultants and  
1531 others, came to naught and nothing happened. Did you get a  
1532 response to this memo?

1533 . A Well, I think--I won't say, though, all--I mean, some  
1534 of the ideas proposed as to how one gets a message across

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1535 and so on, may have been reflected in some of the thinking.  
1536 We needed to produce a paper like this, or you need to get  
1537 the message out across the land, but I don't think an  
1538 organizational structure came out.

1539 . It may have been helpful for Otto Reich's benefit to  
1540 get the benefit of the views of experienced people like Tom  
1541 Korologos and Bill Greener, but I think that--basically that  
1542 is the answer.

1543 . Q Did you get a response from Bill Clark?

1544 . A Well, the only response that I can see from what you  
1545 are giving here, unless there is something that--one of the  
1546 exhibits--my recollection is that by looking at this 29  
1547 August Raymond to Poindexter is--he and I must have talked  
1548 between the 9th and the 29th, and he must have stopped and  
1549 talked to the chain of command earlier.

1550 . He must have stopped this memo--this, I agreed some  
1551 of this--and I wrote a new cover note and said, you are right  
1552 about--and proceeded to discuss this, so the response as best  
1553 I can remember was an oral between myself and Poindexter.

1554 . Q Well, let's move on to that memorandum that has  
1555 already been marked as, I believe, Exhibit 6; is that  
1556 correct? You have it?

1557 . A Poindexter?

1558 . Q Yeah. You said in that memorandum you continued to  
1559 get a number of proposals about how we can generate a

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1560 private sector program to support the President. Are you  
1561 referring to proposals that you got subsequent to August the  
1562 9th?

1563 . A I cannot answer whether I got anything between  
1564 August 9 and August 29, but I had received quite a few  
1565 during the summer months of 1983, and they were in a sense  
1566 saying much the same thing, and that is why I was sharing it  
1567 with--Clark and Poindexter.

1568 . Q Well, you got--in the second paragraph, you indicate  
1569 that Bill Casey called you on August the 26th and wanted to  
1570 follow up on his idea to have a meeting with five or six  
1571 public relations specialists, and said you put him off until  
1572 after Labor Day.

1573 . Why did Bill Casey call you to follow up on his  
1574 idea?

1575 . A He--I can't answer that specifically. I will try to  
1576 reflect what I think might have been the situation. He was  
1577 aware of the fact that I was interested in public diplomacy;  
1578 he was aware of the fact that Otto Reich was or was about to  
1579 come on board.

1580 . He was aware of the fact that we needed to be more  
1581 effective in how we were going to get our message delivered  
1582 to domestic and foreign audiences, and the next step was  
1583 that he advised me that he was meeting with these public  
1584 diplomacy people.

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1585 . I might answer your question if you are going to ask  
 1586 it. I don't know if the meeting ever took place. I don't  
 1587 recall having any feedback from it. Again, it is four years  
 1588 ago. But I have no further--to the best of my knowledge, the  
 1589 story ends here on this particular--proposal.

1590 . Q In the second paragraph, you refer to Gil Robinson  
 1591 moving to the State Department as the Public Diplomacy  
 1592 Coordinator.

1593 . A Right.

1594 . Q Did that in fact happen?

1595 . A He moved to State. The timing, I am not sure. It  
 1596 suggests from this thing probably in late 1983, but I can't  
 1597 be sure of the time. He was given a title that frankly was  
 1598 confusing in the Department of State, as I am sure you know.  
 1599 He became a Public Diplomacy Coordinator, sort of, to  
 1600 Shultz, and Jerry Halman was also operating and frankly, it  
 1601 was an unfortunate development, because it reduced  
 1602 Ambassador Helman's staff, and I think--created some  
 1603 confusion in the ranks as to command lines and  
 1604 responsibilities.

1605 . Q Well, let me ask you--you indicate in there that--you  
 1606 thought that he could be the glue to put this sort of public-  
 1607 private relationship together.

1608 . A Well, Secretary Shultz has occasionally commented on  
 1609 the need to have outreach, the need to involve the private

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1610 sector in foreign policy, and without putting words in the  
1611 Secretary's mouth, which I have no intention of doing, this  
1612 business of citizens, foreign policy is something that the  
1613 Secretary has talked about from time to time, and there was  
1614 the question of whether Gil, with his background, might play  
1615 that kind of a role.

1616 . One of the reasons I find that it attracted--frankly,  
1617 Gil Robinson, as having been President of the New York Board  
1618 of Trade and other kinds of things, knew that field, and he  
1619 knew that field infinitely better than I did, and I frankly  
1620 wanted to get my office and myself out of the middle of  
1621 this, and part of what I was trying to do was, I have the  
1622 problem, and this is not exactly grabbing at straws, but it  
1623 would be very helpful if it could have been moved  
1624 comfortably over to the Department of State, and if it could  
1625 have been effectively and legally.

1626 . Now, the fact of the matter is that Gil Robinson's  
1627 responsibilities at State were quite restricted and instead  
1628 of coming on and creating a major presence in terms of  
1629 private-public interface, he undertook a few specific  
1630 projects--I remember one case where he brought in 50 CEOs to  
1631 meet with the Secretary and key spokesmen on Central America  
1632 talked about the problem.

1633 . But that is--it did not create a major new presence  
1634 in either the public diplomacy field nor the Central

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1635 American field.

1636 . Q You indicated in the last sentence that you  
1637 philosophized a bit with Bill Casey in an effort to get him  
1638 out of the loop. Why were you trying to get him out of the  
1639 loop?

1640 . A I felt it would be more appropriate for these issues  
1641 to be dealt with by the Department of State or the NSC or  
1642 people who had a responsibility for being involved in public  
1643 diplomacy, including informational programs to the United  
1644 States.

1645 . Q Why was--why was Bill Casey involved in this? What  
1646 was--what was his role here?

1647 . A I think this goes back to his role in the  
1648 Administration, and he was one of the key foreign policy  
1649 advisors, and you can name the rest. I mean, the Secretary  
1650 of State, Secretary of Defense, then National Security  
1651 Adviser, and I think that the President, and I think this is  
1652 probably true of some other Presidents, not all--I think the  
1653 President found his advice important and useful, and he  
1654 participated and history can judge whether this is the right  
1655 role--that he participated in the foreign policy process, and  
1656 frequently I think probably took his DCI hat off and looked  
1657 at foreign policy issues as a senior member of the  
1658 Administration.

1659 . Now, it is in that capacity that I think he was

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1660 obviously extremely concerned about the Central American  
1661 issue.

1662 . Q You go on to say he was negative about turning the  
1663 ball over to State, but positive about someone working on  
1664 the problem from within State. Does that imply that  
1665 somebody is working within State but the ball is somewhere  
1666 else?

1667 . A That was not the spin I expected. Let me read it  
1668 again. What it implies is a frustration, some might say a  
1669 realization that the traditional lines in the Department of  
1670 State were not going to be particularly energetic, and  
1671 informational programs and someone like Gil Robinson, who  
1672 had spent his life in the private sector and understood  
1673 public relations, understood how one tries to project a  
1674 message, would probably have more success in this than a  
1675 traditional Foreign Service officer.

1676 . That is what is reflected from Bill Casey's side. I  
1677 am not making a judgment on this, but I think that was  
1678 behind his perception.

1679 . Q While you were in the White House, how often did you  
1680 talk to Bill Casey?

1681 . A It is a descending scale. If that is the right  
1682 word. Obviously, when I was in the Intelligence  
1683 Directorate, very regularly, and--

1684 . Q When you say regularly, do you mean on a regular

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1685 basis, daily basis?

1686 . A Maybe it is a week or something like that.

1687 . Q Did you meet with him regularly when you were--

1688 . A Let me modify that--somewhere around the 1st of

1689 January, give or take.

1690 . Q What year are we in?

1691 . A I am sorry, 1983. Bill Clark decided to have a

1692 weekly meeting with Bill Casey. Every Thursday, 5:00, if I

1693 recall. While I was in the Intelligence Directorate, I very

1694 rarely had contact with him, other than at that meeting,

1695 but that was a weekly meeting. If I had--back with my

1696 intelligence hat on now--if I had concerns about the

1697 community, I would normally go through the easy channels of

1698 talking to the Exec Officer or the Chief of Staff or

1699 something like that.

1700 . I think if you were to get all my correspondence

1701 from 1982 to 1987, you would see--it will support this

1702 descending trend. This is an August--this is an August memo,

1703 and I left that Directorate in July, and there was some--you

1704 know, you always have a slow disengagement on previous

1705 regular contacts.

1706 . Q Did you stop sitting in on the meeting in July of

1707 1983?

1708 . A Yes, as soon as I left that Directorate, I stopped

1709 sitting in and my contacts with him were--very limited in,

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1710 let's say, the last three years. I mean, probably I would  
1711 bump into him in the hall. His office was around the corner  
1712 from the NSC on the third floor, and I probably had occasion  
1713 to see him maybe three or four times a year in the last two  
1714 or three years, so it was limited contact.

1715 . Q But between January and July or August of 1983, you  
1716 met with him on a weekly basis with Bill Clark?

1717 . A Yeah.

1718 . Q Just the three of you?

1719 . A No. Often he would bring his deputy and often Bill  
1720 Clark would have his deputies, Bud McFarlane and so on.  
1721 Might have John Poindexter possibly, but you might have John  
1722 McMahon. Sometimes it was three and sometimes it was six.

1723 . Q In those meetings, did you discuss this subject of  
1724 public diplomacy in 1983?

1725 . A I--very rarely. I can't recall any specific  
1726 occasions where we discussed it in one of those five October  
1727 meetings. I wouldn't rule it out that we might have. I  
1728 cannot remember anything specific on that.

1729 . As I said, that we are going through a transition,  
1730 and by the time that I had moved into my new responsibility  
1731 and other people were then meeting with Bill Casey, there  
1732 was a whole new communication set-up, and I quite frankly  
1733 was extremely busy with my new responsibilities, and was  
1734 quite anxious not to stay involved with the other

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1735 Directorate, because I thought it would be better to keep it  
1736 separate.

1737 . Q Did you discuss the move from the Senior Director of  
1738 Intelligence to this new job with Bill Casey prior to your  
1739 taking the new job?

1740 . A I don't believe I specifically did, but I wouldn't  
1741 rule it out. I might have. I think that my recollection,  
1742 as far as it may be hard to believe that we were called in  
1743 by Bill Clark and the reorganization was announced, and we  
1744 all took a look and said--to find out where we were going to  
1745 be sitting tomorrow morning.

1746 . Now, this does not mean to say there had not been  
1747 discussion with various people. There had been discussion  
1748 with me about the desirability of creating a Public  
1749 Diplomacy Office, Information-Communication Office, and I  
1750 had discussed it, but it was very--but none of us were  
1751 totally certain as to how that reorganization was going to  
1752 be, and it was an in-house thing, so I wasn't going to  
1753 people outside of the NSC <sup>and</sup> ~~was~~ discussing it.

1754 . I--I don't want to be naive, but it is very possible  
1755 something like that was discussed one of those Wednesdays,  
1756 because it was going to affect the liaison. I don't  
1757 remember it, but it would not have been surprising if it  
1758 was, and there was nothing remarkable that came out of that  
1759 exchange that I recall.

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1760 . Q Do you think Bill Casey approved, or do you know  
1761 whether or not Bill Casey approved the creation of this and  
1762 the moving of you to Senior Director of Intelligence to  
1763 Public Affairs, International Communications?  
1764 . A Yes. I think he would have.  
1765 . Q Did he?  
1766 . A I think--did he approve it in the formal sense?  
1767 No--did he think it was a good idea?  
1768 . Q You don't remember whether you discussed it with  
1769 him? Do you know whether or not Bill Clark discussed it  
1770 with him?  
1771 . A No, I don't.  
1772 . Q Was there--  
1773 . A I have to conclude that it is probable that it was  
1774 discussed in some context with him, because it affected his  
1775 liaison. It affected his contact point at the NSC at the  
1776 working level, but I don't recall the discussion.  
1777 . I do know that all of us had felt, Bill Clark, Bill  
1778 Casey, had felt that there was a need for a number of  
1779 activities, not so much what we are talking here, but in the  
1780 broader sense of energizing other parts of the government to  
1781 be doing things in the open--in the open, public activities,  
1782 State Department, USIA, AID and Defense, so he favored  
1783 concept and the philosophy behind the creation of the SPG--  
1784 . Q You were the one--

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1785 . A --so, it would not be inconsistent.

1786 . Q You were the one recommending that it be created,

1787 the SPG?

1788 . A I don't want to take the full responsibility for

1789 that. I think it is a logical outgrowth of the discussions

1790 which were taking place in the MSC over a period of a year,

1791 and Bill Clark was personally very supportive of it.

1792 . Q But you wrote the memorandum recommending--

1793 . A I wrote it in conjunction with Cary Lord, who

1794 was--still active in that area.

1795 . Q And when you left the Intelligence Directorate, your

1796 deputy then became the Senior Director of--

1797 . A Right.

1798 . Q --Intelligence. When did you first meet Oliver North?

1799 . A Probably the first day I came into MSC, but I can't

1800 be sure of that, but he was on board and the staff officer,

1801 and that is the first time I met him. I had never known him

1802 before.

1803 . Q And did you work with him at the MSC in your

1804 capacity as Senior Director of Intelligence?

1805 . A No, not that I recall. I worked with him--trying to

1806 remember--well, I don't recall working with him when I was

1807 the Senior Director of Intelligence. I could have. I can't

1808 be specific, but I was--my recollection is in those days, the

1809 interface Central American policy <sup>channel</sup> ~~could need to have~~ from

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1810 the people in Central America was with--I believe Al Sapia-  
 1811 Bosch, S-a-p-i-a dash B-o-s-c-h--and Roger--I guess basically  
 1812 Al Sapia-Bosch, and the reason why I would be dealing with  
 1813 it--with him was because he was the one who was interested in  
 1814 the issues that I was interested in.

1815 . I don't know, frankly, what Ollie was doing when I  
 1816 came there. It may be military issues.

1817 . Q When did he first begin to attend your MSPG  
 1818 meetings, or SPG meetings, whatever it was--

1819 . A Let me clarify some of the responses that have been  
 1820 made in the hearings on that. First of all, he was not a  
 1821 member of the SPG. Someone says that in one of the  
 1822 hearings. He was an NSC staff officer who was one of  
 1823 several with responsibility for Central America.

1824 . When the SPG Ex-Com met, we very rarely covered  
 1825 Central America, because it was largely being done by Otto  
 1826 Reich's team. On the other hand, when SPG met and there  
 1827 were frequently meetings discussing Central America,  
 1828 presentations by either Dick Stone or Otto Reich--to the best  
 1829 of my recollection, Ollie North never attended one of those  
 1830 meetings.

1831 . I believe this man, Al Sapia-Bosch, was the one who  
 1832 attended. Now, the question then comes back to what was his  
 1833 role with--you know, with Otto Reich? You have to ask Ollie  
 1834 and you have to ask Otto on that, but he was a person that I

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1835 would <sup>talk</sup>~~like~~ to from time to time, as I would other Central  
 1836 American people, when he began to get the Central American  
 1837 responsibility.

1838 . I would also work very closely with Ray Burkhart,  
 1839 who was the principal officer on Central America--on Latin  
 1840 America. And I would work closely with--who was the other  
 1841 person--it is principally Burkhart <sup>he</sup>~~was~~ the head of the Latin  
 1842 America Office, but sometimes Burkhart was available, and  
 1843 when he wasn't, Ollie would come in.

1844 . 2 How many weekly meetings did you chair or  
 1845 participate in in 1984, '85 and '86?

1846 . A Well, this takes us back to sort of the Dante  
 1847 Fascell and George Shultz exchange. The Central American  
 1848 coordination on a day in-day out basis for public diplomacy  
 1849 was run by LPD, was not run by Walt Raymond. There were  
 1850 quarterly or semi-annual or annual reports which were sent  
 1851 over to the NSC--sent over to the SPG, which were status  
 1852 reports of progress.

1853 . Now, we would meet with considerable periodicity,  
 1854 once or twice a week--sorry--once a week or every other week  
 1855 in a meeting in EOB, and this is where the confusion entered  
 1856 into EOB. This was a proposal suggested by Otto Reich so  
 1857 that we could use the EOB, since he was a Presidential  
 1858 appointee and since the way his appointment was made, that  
 1859 he had ties back to the White House, we would use the EOB as

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1860 a meeting place for weekly or bi-weekly meetings on Central  
 1861 America, so we could keep the process moving forward, and I  
 1862 basically provided facilitative services and essentially co-  
 1863 chaired these meetings with Otto, but that--that was going on  
 1864 for two or three years, and we were seeking to implement the  
 1865 Central American action plans which were approved by the  
 1866 SPG.

1867 . Q Who else attended those meetings?

1868 . A We would have from--we would have a representative  
 1869 from--OPL, which is the Office of Public Liaison. That is  
 1870 the successor of Faith Whittlesay, that different people  
 1871 were in charge. Most of the time, Linas, L-i-n-a-s,  
 1872 Kojelis, K-o-j-e-l-i-s, would attend. I tried to insist of  
 1873 having somebody from the Central American Office, because  
 1874 public diplomacy does not make policy, but public diplomacy  
 1875 has to be in support of policy.

1876 . Therefore, you have done what the policy is, so I  
 1877 had tried to get Burkhart to come. Burkhart wasn't  
 1878 available, North came, and at one stage, Constantine Manges,  
 1879 M-a-n-g-e-s, would come.

1880 . MSC, State, we would have Otto and one or two  
 1881 officers from his office, and when he--when possible, we  
 1882 would get somebody from ARA for policy. We would have  
 1883 somebody from USIA, we would have somebody from DOD, we  
 1884 would have somebody from the White House or MSC, press and

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1885 on occasion, we would have somebody from CIA.

1886 . Q Now, did those meetings normally take place on a

1887 weekly basis?

1888 . A Normally.

1889 . Q Was that the Thursday afternoon meeting?

1890 . A No. I think this was the Thursday morning meeting.

1891 I don't know what the Thursday afternoon meeting is. I

1892 can't tell about that. Meeting times changed. It was a

1893 weekly meeting.

1894 . Q But it was a regular Thursday--once weekly meeting?

1895 . A That is right, but periods of time--various points in

1896 time would be every two weeks, not that that is very

1897 important, but sometimes it would change.

1898 . Q But isn't it true that for a long time, nobody from

1899 ARA attended those meetings?

1900 . A It is true, but it was therefore the responsibility

1901 of Otto to be sure that he had the proper policy backdrop on

1902 which we could do all the program, and it was also why I

1903 wanted to have Ray Burkhart there.

1904 . Q What was Ray Burkhart's position at that time?

1905 . A Special Assistant to the President for Latin

1906 American Affairs.

1907 . Q But in effect, ARA, while Tony Motley was the

1908 Assistant Secretary, was essentially not included in those

1909 meetings; isn't that correct?

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1910 . A No. I mean, if the implication is that we were  
 1911 excluding Tony Motley--

1912 . Q I didn't say that. I said not included. I would  
 1913 say this--

1914 . MR. LEON: Was he excluded?

1915 . THE WITNESS: No, the ARA was not excluded, but  
 1916 there was tension, tension with Anders in the public  
 1917 diplomacy effort, tension with Motley in the public  
 1918 diplomacy effort. With Elliott Abrams, there is not  
 1919 tension, and you know this gets partially to personality,  
 1920 gets partially to--you know, other kinds of considerations,  
 1921 but I think at this point--I think that it is essential to  
 1922 have a policy person at these kinds of meetings.

1923 . There is somewhere in one of these--I talk about the  
 1924 need to have the policy involved. Public diplomacy has to  
 1925 be close to policy. The Public Diplomacy Coordinator should  
 1926 be in policy discussions, and one of the things hopefully he  
 1927 would say, you can't get from here to there. The public out  
 1928 there, whether the United States or overseas, isn't going to  
 1929 support you. This goes back to a more philosophical  
 1930 discussion, I think, we have had in another context, but it  
 1931 is essential to get them together.

1932 . Q So, this weekly meeting was co-chaired by you and  
 1933 Otto Reich?

1934 . A But--

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1935 . Q Until 1980--what, early 1986? Otto moved to another  
1936 job, and then you chaired it; is that right?

1937 . A Well, it is co-chaired in a nominal sense, but I  
1938 want to be clear on one point, and that is that Otto Reich  
1939 ran LPD, and they reported up through the State bureaucracy  
1940 for all kinds of things. I was concerned from the MSC/TSPG  
1941 side of assuring that the public diplomacy plans which had  
1942 been approved on an interagency basis were being carried  
1943 out.

1944 . And the character of the meeting is as--we would  
1945 start and turn to Otto, and now Bob Kagen, and say, okay,  
1946 what is going on? And they would report all the activities  
1947 of their office and other people around the table report  
1948 activities of their office, and very frequently that was the  
1949 sum and essence of it, because one of the big problems in  
1950 Washington is the left hand doesn't know what the right hand  
1951 is doing, and--

1952 . Q Was there a note-taker present?

1953 . A LPD would take any actions that needed to be carried  
1954 out, or anybody else would take any actions. We did not  
1955 write a formal record.

1956 . Q Was there a note-taker present?

1957 . A No.

1958 . Q Was there any kind of reports or summaries of any  
1959 kind that were made of these meetings?

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1960 . A Not in any formal sense. LPD would use it--LPD would  
1961 take actions on the basis of the meeting, but those actions  
1962 would then be part of the final record, rather than the  
1963 meeting itself.

1964 . Q So, let me get this straight. It is you and Otto  
1965 Reich and Ray Burkhart and/or Oliver North and sometimes  
1966 someone from the CIA or always--CIA always included?

1967 . A They were invited.

1968 . Q They were always invited. Could you tell us who was  
1969 there?

1970 . A I don't think--probably for the--

1971 . Q Was it the--Chairman of the Central American Task  
1972 Force?

1973 . A A representative of his office.

1974 . Q Did--and did you say DOD was also present?

1975 . A Right.

1976 . Q Was that Master Sanchez?

1977 . A No, Irwin Kern usually.

1978 . Q And from USIA, who was usually there?

1979 . A Usually John Scaife.

1980 . Q From USIA?

1981 . A Um-hum.

1982 . Q Wasn't John Scaife in the Office of LPD or  
1983 Department of State?

1984 . A It is a question of timing. You are absolutely

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1985 right. He has been coming for the last 12-18 months,  
 1986 because he is back in the USIA, representing USIA. Before  
 1987 that, he was in LPD. Several people--previous to John Scaife  
 1988 may have been Don Mathis.

1989 . In other words, somebody was coming generally from  
 1990 the USIA Policy Office. That is where Mathis was. That is  
 1991 where Scaife was located.

1992 . Q Once the rig was created for Central America, how  
 1993 did this group interact with the rig?

1994 . A Well, this is why I am really trying to define my  
 1995 role as a--generally a modest one. I never attended a rig.  
 1996 The people who attended the rig were Burkhart--North--I don't  
 1997 know what North's role is with the rig. Burkhart always  
 1998 attended. I don't know whether North always attended or  
 1999 not. I just can't answer that.

2000 . And I know that Otto Reich felt he should attend the  
 2001 rig on a regular basis. I don't think he did. So, we were  
 2002 dependant on ARA or dependent on somebody from the MSC  
 2003 coming to give us policy guidance.

2004 . Q So, you took your policy guidance from the rig once  
 2005 it was created?

2006 . A Yes. We are talking about day in-day out, because  
 2007 the broad strategic guidance is something which was  
 2008 interagency approved and signed off on by the SPG, and it  
 2009 was largely schematic materials and so on.

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2010 . I know that material is available in the public  
2011 record someplace.

2012 . Q Who did the rig report to? I know Elliott Abrams  
2013 chaired the rig, but who did the rig report to?

2014 . A I--not being involved in the policy side of that  
2015 process, I can only say that I believe to the MSPG. I am  
2016 not certain whether MSPG got in between.

2017 . Q When you say the MSPG, you mean the planning group  
2018 chaired by the--

2019 . A But smaller than a full MSC.

2020 . Q I understand. Did you ever attend any MSPG  
2021 meetings?

2022 . A On Central America. You are talking about--because I  
2023 have attended them on other subjects. On Central America,  
2024 I--um--I may have attended--I believe I did attend an MSPG  
2025 meeting in 1982 with my other hat, but I attended--the--I only  
2026 attended one MSPG meeting in my capacity in the public  
2027 diplomacy responsibility, in my new responsibility, and that  
2028 was on a radio-related subject.

2029 . Q Well, did--

2030 . A Well, I think you probably know about it.

2031 . Q Well, did--you took your policy guidance from the  
2032 rig. Who told you to take your policy guidance from the  
2033 rig?

2034 . A Well, I think that is the standard procedure for all

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2035 of public diplomacy. You have got to--we take our policy  
2036 guidance from the ongoing principal policy-making structure,  
2037 whether it is the IG--the IG, the Interdepartmental Group  
2038 (IG), is normally chaired by an Assistant Secretary and is  
2039 normally the ongoing, daily workaday guidance process.

2040 . When things get sticky or when policy negotiation in  
2041 the road comes up or when senior authorities want to effect  
2042 reviews, you can go either to the MSPG, the NSC or in some  
2043 cases--and here I can't speak to this. They may go through  
2044 the SIG process. The SIG--I am not frankly aware of very  
2045 many SIGs taking place in the last couple of years in  
2046 Washington.

2047 . My sense is that most of these policies go from the  
2048 Assistant Secretary-run group right up to the apparent body  
2049 up to the time of Frank Carlucci. As you are aware, there  
2050 have been changes since then.

2051 . 2 What I am trying to determine is you set up  
2052 this--this SPG earlier, which includes a lot of very high-  
2053 ranking people, and then their deputies, and here you have  
2054 the rig that is chaired by an Assistant Secretary with two  
2055 people well below that level, and it would--sometimes like  
2056 you have got--an imbalance here or something that is not  
2057 quite at the same level for this White House Central America  
2058 Public Diplomacy Group chaired by Ambassador Reich and co-  
2059 chaired by you, to be taking your direction from a rig--which

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2060 none of you attend and it seems to be at a lower level;  
 2061 doesn't make a lot of sense to me, and that is why I asked  
 2062 the question, who told you to take policy guidance for them,  
 2063 because ordinarily in the government, if something like that  
 2064 happened, people would tell them to go fly a kite.

2065 . A I think you have to differentiate between the policy  
 2066 track line and the public diplomacy track. What the SPG is  
 2067 is a very senior body, and the SPG is much more of a--is an  
 2068 organization which was designed to energize a community,  
 2069 energize a process, get people engaged in public diplomacy  
 2070 business.

2071 . Now, it did not--at no point was <sup>it</sup> ever suggested that  
 2072 it would begin to replace any of the policy mechanisms, and  
 2073 we want to be very careful. Now, if the public diplomacists  
 2074 start trying to become policymakers, then you are going to  
 2075 have two competing policy bodies.

2076 . So, I think it is not out of line for a public  
 2077 diplomacy working group, if you want to call it that, on  
 2078 Central America to be taking its policy guidance from the  
 2079 Assistant Secretary. I mean, Reich did not outrank, if you  
 2080 want to try--

2081 . Q I understand that.

2082 . A Yeah.

2083 . Q But in effect, the only person from the White House  
 2084 in the rig was Oliver North.

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2085 . A No, I think Ray Burkhart was there at almost all the  
 2086 meetings.

2087 . Q But he was below Oliver North.

2088 . A No, Burkhart was Special Assistant to the President.

2089 . MR. LEON: Burkhart was North's boss, in essence,  
 2090 wasn't he?

2091 . MR. McGRATH: Off the record.

2092 . [Discussion off the record.]

2093 . [Recess.]

2094 . MR. OLIVER: All right. Back on the record.

2095 . What was the last question.

2096 . [Whereupon, the reporter read the record as  
 2097 directed.]

2098 . [Discussion off the record.]

2099 . MR. OLIVER: Let's go back to where Mr. Leon said--is  
 2100 it true that Ray Burkhart was Oliver North's boss in the  
 2101 formal structure of the NSC?

2102 . THE WITNESS: No, in the formal structure, Ray  
 2103 Burkhart was the Special Assistant for Latin American  
 2104 Affairs, and Oliver North was assigned to a different part  
 2105 of the NSC.

2106 . MR. OLIVER: All right.

2107 . BY MR. OLIVER:

2108 . Q When the--when the Central American Public Diplomacy  
 2109 meeting took place in your office, you indicated that two of

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2110 Otto Reich's deputies attended on a regular basis. Was that  
2111 Jonathan Miller and John Blaken?  
2112 . A Usually. They were the two deputies, that is  
2113 correct, and they usually attended, but sometimes schedules  
2114 interfered and only one person was there.  
2115 . Q When did you first meet Jonathan Miller?  
2116 . A When he was assigned to Otto Reich's office, LPD.  
2117 . Q Did you know him prior to that? Did you know of him  
2118 prior to that?  
2119 . A No, on both counts.  
2120 . Q Did the MSC or the White House play any role in his  
2121 appointment to that job, to your knowledge?  
2122 . A To my knowledge, no, although I have subsequently  
2123 heard that--that the deputy job was one that the White House  
2124 felt they might have an interest in filling. I don't  
2125 believe that they played any role in the Miller assignment.  
2126 . Q Now, these meetings began, I take it, in the summer  
2127 of 1983 in your office when you took over as the Director  
2128 for International Communications and Public Diplomacy?  
2129 . A No, I think the regular meetings began probably  
2130 towards the beginning of 1984. Otto Reich took on his  
2131 responsibility sometime in the early fall or late summer of  
2132 1983, and he held several meetings in the Department of  
2133 State, and he found that he was not able to draw the right  
2134 people together under that sponsorship, and therefore he

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2135 recommended that he begin to hold bi-weekly meetings in EOB.  
2136 . And I basically accommodated him and that is when we  
2137 led to this joint sharing of the responsibility.  
2138 . Q And you attended those meetings?  
2139 . A Yeah.  
2140 . Q Were you aware of Oliver North's trip to Central  
2141 America in the middle of 1984?  
2142 . A I would have to be more specific. I know that  
2143 Oliver North traveled overseas in a great deal--in different  
2144 directions, and I couldn't be certain of any specific time  
2145 that he may have taken a trip to the region.  
2146 . Q Were you aware of him being given some  
2147 responsibility for Central America within the NSC in 1984?  
2148 . A I was aware he had an active interest in an  
2149 involvement in Central America. I can't set the time. 1984  
2150 sounds about right. I was aware of the fact that he took  
2151 frequent trips, some of which were to the region. We would  
2152 occasionally hear reports from him at the senior staff  
2153 meetings which touched on his trips.  
2154 . I did not get very much information, you know, from  
2155 Oliver North as to what he was doing. I do know he was in  
2156 contact with the contras, but beyond that, I was not really  
2157 involved in the details of his activities.  
2158 . Q At these meetings, did you discuss the activities of  
2159 Otto Reich's office?

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2160 . A At which meetings?

2161 . Q LPD, the Central American public diplomacy meetings  
2162 which took place in your office.

2163 . A We discussed what needed to be done, and most of the  
2164 time, that meant by LPD. It might mean that we needed to  
2165 get West European correspondence down to El Salvador or  
2166 Nicaragua, or it might mean we want to try to find some way  
2167 to bring some Central Americans up to the United States.

2168 . We would discuss various task aids for the office,  
2169 and everybody would chip in. It was very free-flow.

2170 . Q When did you first meet Frank Gomez?

2171 . A I think he was still a DAS in some place. Probably  
2172 public affairs and State, and he sat in on one or two  
2173 meetings that I had on some subject, and he left or retired.  
2174 I have only seen him two or three times since then.

2175 . Q Were you aware that he became a consultant to LPD?

2176 . A I was--yes, yes. I was not aware of all the details,  
2177 nor was I particularly aware of his work responsibilities  
2178 because I was more interested in tasking than being involved  
2179 in the tasking process and discussion process. I was less  
2180 involved in how you are actually going to get it done.

2181 . But I am aware of the fact that he was working with  
2182 LPD at a point in time. I can't tell you now without  
2183 recourse to records, which I might not even have, when he  
2184 started and when he ended.

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2185 . Q When did you first meet Rich Miller?

2186 . A I think I met him about two or three times in my

2187 life. Would have been in '84 or '85.

2188 . Q Do you remember what the occasion was?

2189 . A Well, once in Ollie North's office. I was down

2190 there for some reason or another, and he was there, and I

2191 met him. And other places. Nothing very--nothing that I can

2192 recall with any specificity. Mindful of all the discussions

2193 taking place in the hearings, and I was very--hearing most of

2194 that for the first time.

2195 . Q Were you aware that Frank Gomez and Rich Miller

2196 obtained a State Department contract from LPD in the fall of

2197 1984?

2198 . A I was aware after the fact that the contract had

2199 been signed, yes. I remember also talking to Otto and him

2200 making the comment that it had been looked at very carefully

2201 by the State Department lawyers.

2202 . Q Were you aware that just prior to the period for

2203 this first contract, that Rich Miller and Frank Gomez and

2204 Otto Reich and Jonathan Miller and Oliver North had a

2205 meeting at IBC's office?

2206 . A No.

2207 . Q That subject wasn't discussed in your weekly

2208 meeting?

2209 . A Not that I can remember.

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2210 . Q You never--didn't discuss during that period of time  
2211 the fact that LPD was hiring this public relations firm?

2212 . A No. I knew the contract had been let, and I knew  
2213 they were doing some work. But you know, as to specific  
2214 meetings with specific groups of people at times I did not  
2215 necessarily--I wasn't following that activity that closely.  
2216 I was aware of the fact that it was a contract.

2217 . Q Well, didn't this sort of follow along the lines of  
2218 your earlier memoranda and discussions about hiring an  
2219 outside public relations firm to do some of these things?

2220 . A What I understood--what I am talking about in terms  
2221 of that kind of a firm--not a firm, that kind of a coalition  
2222 of bipartisan coalitions--that was--I--I envisioned this as  
2223 something vastly different than what you are talking about.  
2224 We had hired a firm to write articles or to perhaps take  
2225 care of Central American figures that are coming up. That  
2226 is not what I--had been talking about in some of these  
2227 previous exhibits.

2228 . Q So, you indicated that you had only met Rich Miller  
2229 and Frank Gomez a few times?

2230 . A Correct.

2231 . Q And you remember meeting Rich Miller once in Oliver  
2232 North's office. Do you remember attending any meetings with  
2233 Rich Miller, any substantive meetings that related to  
2234 Central America and public diplomacy?

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2235 . A I think there was a meeting that took place once  
2236 with Lew Lehrman, L-e-h-r-m-a-n, Citizens for America.

2237 . Q What was that meeting?

2238 . A That was again the basic question of how to get, you  
2239 know, the informational question, and Citizens for America,  
2240 of course, has an information--national system for  
2241 information distribution, and they were talking about what  
2242 the issue was.

2243 . My recollection of this meeting was largely  
2244 informational. We were discussing what was going on in  
2245 Central America, and I think Rich Miller was there.

2246 . Q Would that have been on January 25, 1985?

2247 . A It could have been. I would think probably it would  
2248 have been early '85, but I am extrapolating back without a  
2249 calendar or book of notes.

2250 . Q Who chaired that meeting?

2251 . A Well, clearly Ollie North had been very active in  
2252 setting it up, because I went there completely cold and  
2253 there were a number of people around the table. My  
2254 recollection is that Ollie--Ollie and Lew Lehrman, and again,  
2255 it seemed to me largely a question of what is the problem  
2256 and what is going on in Central America at that stage.

2257 . Q Was a project discussed at that meeting for Central  
2258 American public diplomacy or generating public support for  
2259 the President's policies? Was that the purpose of the

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2260 meeting?

2261 . A No question that the purpose of the meeting would be  
2262 to generate support for the President's policies. I believe  
2263 that there was discussion, but what came of it, I am not  
2264 sure. There was discussion of trying to--Citizens for  
2265 America was very interested in being active, and there was  
2266 some discussion of the fact that they would try to develop  
2267 an informational program, which would have a broad  
2268 geographic ramification.

2269 . That is my recollection of it. I don't know whether  
2270 there is more to it or not, but again, I am operating two  
2271 and a half years later, and I haven't revisited that since  
2272 then.

2273 . Q Was funding for this project discussed at that  
2274 meeting?

2275 . A I don't--I can't be sure. I think that Lehrman felt  
2276 that he had money, but I don't want to overstate that.

2277 . Q Was he seeking funding for his project? Do you  
2278 remember?

2279 . A I don't think so. I mean, my remembrance of this,  
2280 as you say, January meeting--see, you have got a White House  
2281 door list there--my remembrance of this was that it was  
2282 really stating the problem and him being very concerned  
2283 about Central America. Written a lot on it, and a lot of  
2284 material that has been distributed throughout the country by

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2285 the CFA, and I think he wanted to get an update on what was  
 2286 going on, and wanted to know what we were up to and what he  
 2287 could do to be helpful.

2288 . Q Why would Rich Miller and Frank Gomez, representing  
 2289 IBC, be at that meeting?

2290 . A I am not sure, other than the fact they listened to  
 2291 a discussion where there is going to be an  
 2292 outreach--informational outreach, and that is some of what  
 2293 they were doing.

2294 . Q And you were aware that they were under contract to  
 2295 the Department of State?

2296 . A I was aware that a contract had been concluded with  
 2297 them. I don't recall when the contract started and stopped,  
 2298 so I think we talked before that the contract was during  
 2299 1984. I don't know how long that contract lasted. I really  
 2300 don't. Somewhere along the line the contract stopped, but I  
 2301 don't know when it was.

2302 . Q Do you remember one of the <sup>Contracts</sup>~~contracts~~ being  
 2303 classified?

2304 . A I certainly know that after the fact by listening to  
 2305 the hearings. I don't recall whether I knew that at the  
 2306 time, but I did talk to Otto about that, and Otto says it  
 2307 was for protection of some of the refugees and others who  
 2308 were involved in the program.

2309 . Q And this became public, or at the time?

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2310 . A Something I asked Otto just a few days ago, because  
2311 I don't remember why it was a classified contract, and I  
2312 have no reason to disagree with that, but that is what I  
2313 understood now after the fact.

2314 . Q Did you discuss with Otto the deposition that he  
2315 gave this committee?

2316 . A No. I discussed with him--I said I see that this  
2317 thing is classified. He said, well--sources, and we just  
2318 didn't talk any further about that.

2319 . Q Was he in town, or were you in Venezuela?

2320 . A No. This was--this was--he was here on summer  
2321 vacation. He was in Washington.

2322 . Q And did you discuss with him the LPD and the whole  
2323 genesis and what they did?

2324 . A Not at that time, because we both--we both knew what  
2325 he did. I mean, there was no need to review any of that  
2326 with him.

2327 . Q Did you know a man named Jake Jacobowitz?

2328 . A Yes.

2329 . Q How did you know him?

2330 . A A member of the LPD team.

2331 . Q Did he participate in the meeting?

2332 . A That is when I made my previous comment that we  
2333 always bring the two deputies. No, he didn't always bring  
2334 them. Sometimes one deputy was not available, sometimes two

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2335 were not available. One of the stand-ins was Jake  
 2336 Jacobowitz, so he attended a number of the meetings.  
 2337 . Q Did you know Mark Richards?  
 2338 . A By name only. I don't recall meeting him.  
 2339 . Q Did you know that he was a consultant to the--to LPD  
 2340 during 1985?  
 2341 . A I only know that because--because Otto mentioned his  
 2342 name. I don't know the man personally.  
 2343 . Q Did you know what he was doing?  
 2344 . A No.  
 2345 . Q Did you know Barbara Garland?  
 2346 . A No.  
 2347 . Q You mentioned John Scaife earlier.  
 2348 . A These people will be upset that I don't know them,  
 2349 because I think they assume I knew them all, and I don't.  
 2350 . Q John Scaife was assigned to LPD from USIA; is that  
 2351 correct?  
 2352 . A Correct.  
 2353 . Q Did the White House have anything to do with getting  
 2354 these people detailed from other agencies to LPD?  
 2355 . A Yes.  
 2356 . Q What did you have to do with it? What was your  
 2357 involvement?  
 2358 . A That is the kind of thing that the SPG process was,  
 2359 I think, able to do and do well, and that is that it is

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2360 extremely difficult to get people detailed to another  
2361 agency. People don't like to surrender bodies, and we  
2362 wanted to have a strong interagency team, so in effect, we  
2363 put a levy out and asked Peter McPherson, asked Cap  
2364 Weinberger and asked Charlie Wick to help staff up the LPD  
2365 office.

2366 . Q And did they do that?

2367 . A And they did that.

2368 . Q And John Scaife came from USIA?

2369 . A Right.

2370 . Q Did anyone else come from USIA?

2371 . A There is a fellow named--Johnson--no, I may not be  
2372 right there. There is Steve--is there a Steve Johnson on the  
2373 list? I think a fellow named Steve Johnson who is a USIA  
2374 body, and there may have been somebody earlier. My sense is  
2375 that we have had two from USIA at all times. One may have  
2376 been the secretary.

2377 . Q Who came from AID? Do you recall?

2378 . A I don't recall immediately. I might if I saw the  
2379 names.

2380 . Q Was there--was there any discussion in any of your  
2381 meetings about problems they were having with these  
2382 contracts for IBC?

2383 . A No, not in our meetings.

2384 . Q Were you ever aware of any--any need for White House

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2385 support for these contracts being concluded, or the bills  
2386 being paid?

2387 . A No.

2388 . Q And you didn't know at the time why the last State  
2389 Department contract was classified as secret?

2390 . A I did not know at the time. I probably--I certainly  
2391 could have found out if I had asked, but I did not involve  
2392 myself in the management process. For example, I know again  
2393 retrospectively that there was an IG inspection. I have not  
2394 seen the IG report. I have not asked to see the IG report.  
2395 I consider that is the management question that basically  
2396 would be resolved by the Department of State.

2397 . Q Do you know David Fischer?

2398 . A Well, I know who he is, certainly. I think I have  
2399 met him only in the sense that meetings that I have had--in  
2400 the Oval Office, that he was there, I mean in the outer  
2401 office, but nothing more than that.

2402 . Q Did you ever meet him in the context of his being a  
2403 consultant to IBC?

2404 . A No.

2405 . Q Do you know Marty Artiano?

2406 . A No.

2407 . Q In December of 1984, you had a meeting with a woman  
2408 named Edie Fraser of Fraser & Fraser Public Relations.

2409 . A Right.

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2410 . Q <sup>MINER</sup> ~~MINER~~ & Fraser.

2411 . MR. OLIVER: Off the record.

2412 . [Discussion off the record.]

2413 . MR. OLIVER: All right, back on the record.

2414 . I would like to have this marked as Exhibit 7, and

2415 it consists of a memorandum from Walt Raymond and Oliver

2416 North to Robert McFarlane, dated January the 8th, 1985. Its

2417 identification number is M-32245, and I would like you to

2418 mark that and show that to the witness.

2419 . [Walter Raymond Exhibit No. 7 was marked for

2420 identification.]

2421 . MR. OLIVER: Two attachments to that memorandum,

2422 documents identification numbers M-39629 and M-39830. They

2423 should actually be attached.

2424 . BY MR. OLIVER:

2425 . Q Do you recognize that document, Mr. Raymond?

2426 . A Well, you have got to kind of--a situation here where

2427 I guess I signed it--what is this--

2428 . Q Is that your initial next to your name?

2429 . A Yeah. It is written by Ollie and the "we" is

2430 myself leading. I will come back to that in a minute. Let

2431 me see what the rest says here.

2432 . Q Well, the first sentence says Ollie North and I--

2433 . A I am not suggesting that we didn't meet with Edie

2434 Fraser. I am talking about the second paragraph. Let me

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2435 see what we are talking about here, because I have to  
2436 refresh my memory.

2437 . Well, I have scanned this. Basically--okay, your  
2438 questions?

2439 . Q The first question says, 'Ollie North and I met  
2440 with Edie Fraser,' which would seem to indicate that you  
2441 wrote the memorandum. Is it your testimony that you did not  
2442 write the memorandum, that it was Oliver North?

2443 . A Well, no, I clearly wrote the first paragraph. The  
2444 second paragraph, I want to come back to, but I will deal  
2445 with--take them one paragraph at a time.

2446 . Q Well, could you tell me about how you happened to  
2447 meet with Edie Fraser?

2448 . A She was brought to my office by Ollie North.

2449 . Q And what did Ollie North tell you about Edie Fraser?

2450 . A That there was an idea afoot to--my recollection is  
2451 she was brought to my office by Ollie North. I don't know  
2452 who else would have been involved, but the issue here that I  
2453 focused on, as I recall--now at that point--aside--what  
2454 happened--let's work backwards, what happened was that there  
2455 was a refugee--Nicaraguan refugee fund dinner, and was widely  
2456 attended.

2457 . There were presentations by people--I don't remember  
2458 their names--who were actively involved in an effort to  
2459 provide assistance to people who were refugees, and they

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2460 were films and so on that were shown, and the President did  
2461 participate, and that was it.

2462 . I mean, it was a humanitarian effort. Some money  
2463 was raised and given to the organization, and it went to the  
2464 refugees. My recollection of reading the newspaper a few  
2465 days later was I think \$17,000 was raised.

2466 . A lot of these numbers thrown around here are  
2467 awfully big, but that is what I understood was raised from  
2468 the paper. Now, a lot of this other stuff, like referring  
2469 to honorary committees and councils and all of that kind of  
2470 stuff was a very elaborate effort to try to dress up--this is  
2471 Edie Fraser and Tom M<sup>i</sup>gner, a lot of either to try and dress  
2472 up kind of a prestigious group to be concerned with  
2473 humanitarian efforts in Nicaragua and provide the stimulant  
2474 to perhaps increase public knowledge and perhaps public  
2475 funding, private funding of the people who were refugees  
2476 that had medical needs.

2477 . That is what a lot of this was in the first  
2478 paragraph. To the best of my knowledge, a lot of talk and a  
2479 very, very small product at the other end, and I am aware of  
2480 utterly no follow-up. It may be that some of this gets  
2481 taken and developed and molded by some fashion by other  
2482 people, but that is all I am aware of.

2483 . Q It says in here that we have timed this campaign.  
2484 Who is the we, you and Ollie North?

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2485 . A Well, Gil Robinson was involved in this, somebody  
2486 from the private sector for initiatives office--Faith  
2487 Whittlesay, someone from her office was involved in this.  
2488 Migner was floating around--Tom Migner was floating around in  
2489 this. And they are public relations activists, and they  
2490 came at us and said, we want to do this, and they want to  
2491 start the public relations campaign and the big black tie  
2492 event was marked.

2493 . This is a lot of sort of P.R. language being played  
2494 back into a memo here, which is not terribly appropriate,  
2495 but that is the way it was going, and reading--I mean, there  
2496 is a reference in here to having a meeting with corporata  
2497 CEOs in Washington. I know I wasn't in any of those  
2498 meetings, but I vaguely recall a small meeting taking place,  
2499 but I cannot absolutely certify that, but that is not  
2500 inconsistent, because he did, in effect, meet as you know  
2501 from the testimony with major figures in the private sector  
2502 from time to time.

2503 . Q Did you ask Edie Fraser to undertake this effort?

2504 . A I did not.

2505 . Q Did Ollie North ask her to?

2506 . A It came to me full grown.

2507 . Q What do you mean?

2508 . A In other words, when I was approached with this, we  
2509 have a great idea for humanitarian effort with Nicaragua.

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2510 We think we should have a big dinner. We think this is the  
2511 way to launch the campaign. This will heighten public  
2512 knowledge of the situation in Nicaragua, and I, Edie Fraser  
2513 and Tom Migner will carry this forward.  
2514 . Now, who presented it to Edie Fraser--I don't know.  
2515 I don't want to say Ollie North, but he is the only  
2516 person--he is the only person I can think of who may have  
2517 gone to her. I am not sure about that. It wasn't myself.  
2518 I am not sure who went to Edie Fraser. Might have been one  
2519 of the other people mentioned here, including Faith. I  
2520 don't know.  
2521 . Q On the attachment, it seems to indicate that these  
2522 decisions to go forward with this need to be made by  
2523 somebody in the White House.  
2524 . A This was not--this attachment was not written in the  
2525 NSC.  
2526 . Q No, it was obviously written by her.  
2527 . A Yeah.  
2528 . Q And it--it refers to, I believe, the meeting which  
2529 you and Ollie North had with her that morning.  
2530 . A Right, she went back and wrote this in a very  
2531 aggressive way.  
2532 . Q And you got in there that we agreed that both Bob  
2533 McFarlane and Faith Whittlesey are essential in making this  
2534 decision. Did you agree to that?

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2535 . A Well, I don't recall agreeing to that per se, but  
2536 obviously, if we were going to have any effort involving the  
2537 President or any of these other types of people that she is  
2538 talking about, clearly they are the two people who would be  
2539 essential to that, so I mean, that is factually correct. I  
2540 don't recall that, but it is correct.

2541 . I mean, you can't involve the President, you can't  
2542 involve this level of group without having Bud and Faith in  
2543 full agreement. I don't recall it, but it is correct--I  
2544 mean, it is not an incorrect thought that they have to be on  
2545 board.

2546 . Q If you go back and read some of the other parts of  
2547 this memo on--on page 2 of this memo, on 3(c), it says basic  
2548 costs such as invitations must be determined, it says on the  
2549 education campaign, we can present options within the next  
2550 10 days, and it has been decided that the State Department  
2551 will coordinate through Otto Reich all information to insure  
2552 that the materials are accurate and realistic, and it  
2553 appears if you read this memo in its totality that Edie  
2554 Fraser is relying on you and Oliver North to make all these  
2555 decisions and to make all these things happen.

2556 . A She was trying to nail us to the floor on these  
2557 points. No question about it. She is a very, very  
2558 aggressive lady.

2559 . Q And did she nail you to the floor on them?

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2560 . A No. I think--all I know is that there was a dinner,  
2561 and the President did come, so in that sense, the key thing  
2562 that she wanted was the President to participate. That was  
2563 done.

2564 . Q Did you recommend the President come?

2565 . A I think--my recollection is there is another piece of  
2566 paper that goes forward. No, maybe it is here. There  
2567 always has to be a schedule for something like this--this is  
2568 to Bud--probably. I can't be sure of that. The fact that he  
2569 did come--probably was recommended by us.

2570 . Q So, you all worked with Edie Fraser to make this  
2571 thing happen?

2572 . A On a one-time basis.

2573 . Q Did you run into problems with the White House  
2574 Counsel about this briefing to be held at the White House,  
2575 with the appearance of the President?

2576 . A I do not recall, because as I said, I realize this  
2577 isn't a joint memo, but I was not involved in any of the  
2578 staffing about the corporate CEO thing. But God knows--we  
2579 may find it in the proposed schedule--but I was not involved  
2580 personally in the corporate CEO briefing. There is an  
2581 elaborate--there was elaborate briefings that took place.

2582 . Q I would like to ask the reporter to enter this  
2583 document into the record as Exhibit No. 8, I believe. This  
2584 is a memorandum from Fred Fielding and Counsel to the

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2585 President to Robert Kimmitt, Deputy Assistant to the  
2586 President for National Security Affairs; subject: Nicaraguan  
2587 refugees, dated January the 11th. The identification number  
2588 is M-39625.  
2589 . [Walter Raymond Exhibit No. 8 was marked for  
2590 identification.]  
2591 . BY MR. OLIVER:  
2592 . Q I ask you if you ever have seen that document  
2593 before, Mr. Raymond?  
2594 . A I don't recall seeing it. You know, again, two and  
2595 a half years, I may have, but I think I would have reacted  
2596 pretty strongly to it.  
2597 . Q How would you have reacted to it?  
2598 . A I wouldn't have wanted to--well, I mean, I would want  
2599 to be certain whatever we were doing was consistent with the  
2600 advice of counsel.  
2601 . Q So, do you know why the briefing went forward after  
2602 that memo was written?  
2603 . A No. I would think it probably should not have, on  
2604 the basis of this memo.  
2605 . Q Do you recall drafting a memo for Robert Kimmitt to  
2606 send to Fred Fielding after that memo, asking him to give  
2607 another opinion?  
2608 . A Well, I don't recall it. If I wrote one, I don't  
2609 recall it. It--you know, I just honestly don't recall it.

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2610 . Q Well, let me--  
2611 . A Did I <sup>write</sup> ~~write~~ one?  
2612 . Q Well, let me mark some other documents here. I  
2613 would like the reporter to mark as Exhibits 9 and 10 a  
2614 memorandum--well, make it Exhibit 9 with attachment,  
2615 documents N-39622, a memorandum from Walt Raymond, Jr. to  
2616 Robert Kimmitt, regarding a briefing of CEOs; and a  
2617 memorandum from Robert Kimmitt to Fred Fielding regarding a  
2618 briefing of corporate executives on Nicaragua. The first  
2619 page is dated January 6, 1986; the second, January 17.  
2620 . [Walter Raymond Exhibit Nos. 9 and 10 were marked  
2621 for identification.]  
2622 . MR. McGRATH: Is there a Fielding response?  
2623 . MR. OLIVER: In N-39622 and N-39169--

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2624 RPTS MAZUR

2625 DCHM PARKER

2626 . BY MR. OLIVER:

2627 . Q Mr. Raymond, do you recognize those memorandums?

2628 . A Well, I recognize this issue. I do not, and I  
2629 believe now that you have refreshed my memory that I do  
2630 remember these memoranda.

2631 . MR. MCGRATH: Before we go on, would you be able to  
2632 locate whether there was any response from Fielding pursuant  
2633 to Kimmitt's January 7 memo?

2634 . MR. OLIVER: Yes, I do have that, and I will ask  
2635 him about that in a minute. I am just trying to make sure I  
2636 have it--yes, I do.

2637 . MR. MCGRATH: Could we say that with respect to  
2638 these?

2639 . MR. OLIVER: Let's discuss these first and then we  
2640 will discuss the response.

2641 . BY MR. OLIVER:

2642 . Q Do you--it appears from those memorandums that you  
2643 were trying to get Fielding to reconsider his memorandum  
2644 stating that it would be improper to have such a briefing in  
2645 his opinion. Is that in fact what happened?

2646 . MR. MCGRATH: Well, first, if I might interject, I  
2647 don't think the Fielding memo says it would be improper to  
2648 do it.

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2649 . MR. OLIVER: Well--

2650 . MR. MCGRATH: Just says it would be contrary to

2651 established White House policy.

2652 . MR. OLIVER: All right. I will accept the exact

2653 language since the document has been entered as an exhibit

2654 anyway, but he did counsel against holding the briefing or

2655 any other function coordinating with fund-raising for the

2656 fund initially, and then you wrote a memorandum to Kimmitt

2657 asking him to send another memo forward to Fred Fielding

2658 subsequent to this in effect asking him to reconsider. Is

2659 that correct.

2660 . THE WITNESS: But also clarifying what the intent

2661 was of the meeting with the chief executives.

2662 . BY MR. OLIVER:

2663 . Q Well, wasn't the intent originally to raise money

2664 for the refugees--I mean if we look at the memos that we have

2665 just discussed from you and Oliver North to Bud McFarlane

2666 and Edie Fraser's attachment after the meeting with you and

2667 Ollie North, it appears to me that the purpose of this

2668 endeavor was to raise funds.

2669 . Isn't that correct?

2670 . A The-- at the black tie dinner we are talking about

2671 now or with the CEOs?

2672 . Q At the Nicaraguan refugee fund dinner. I believe

2673 the briefing for the CEOs was designed to get them involved

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2674 in this project. Isn't that correct?

2675 . I mean the initial memorandum from Fielding to

2676 Kimmitt indicates that they have asked for his views on a

2677 proposal to involve the President and the White House in

2678 fund-raising efforts for a private organization, the

2679 Nicaraguan Refugee Fund. Wasn't that what it was all about?

2680 . A Well, as far as I can reconstruct--I am

2681 reconstructing sort of here is that we are talking about a

2682 substantive briefing, about the problem. I think--

2683 . Q But the initial memo in January, the 11th, from Fred

2684 Fielding to Robert Kimmitt--

2685 . MR. MCGRATH: May I--

2686 . Q Surely.

2687 . MR. MCGRATH: Do you have a copy of whatever

2688 Kimmitt sent to Fielding posing the question initially?

2689 . THE WITNESS: That is this one.

2690 . MR. OLIVER: It is there.

2691 . MR. MCGRATH: No, initially before the January

2692 11th--

2693 . MR. OLIVER: I didn't enter it in the record, but

2694 that is what it is.

2695 . MR. MCGRATH: But the attached proposal, is that--

2696 . MR. OLIVER: --I will enter this as an exhibit, as

2697 Exhibit Number 11.

2698 . MR. MCGRATH: Could we go off the record a second?

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2699 . MR. OLIVER: Yes.

2700 . [Discussion held off the record.]

2701 . MR. OLIVER: Let's enter this as Exhibit Number

2702 11.

2703 . [The document referred to was marked as Walter

2704 Raymond Exhibit Number 11 for identification.]

2705 . MR. OLIVER: It is Document Number 32244. It is a

2706 handwritten note from Bob Kimmitt to Fred Fielding asking

2707 Fielding if he perceives any legal problem with the attached

2708 proposal and the attachment was Exhibit 7.

2709 . BY MR. OLIVER:

2710 . Q I believe the question was whether or not in effect

2711 you were appealing the decision of Fred Fielding in asking

2712 Bob Kimmitt to have him reconsider on the basis of a memo

2713 that you drafted.

2714 . A I don't recall a great deal of this, but what I can

2715 piece together from this is that after the memo that you saw

2716 here from Raymond and North went forward, that it was

2717 probably bucked over by McFarlane to Bob Kimmitt, who was

2718 the General Counsel of the NSC, and he clarified what was

2719 possible and what was not possible in his memorandum.

2720 . First of all, he clarified what was possible and

2721 not possible in his discussions with us and indicated--us

2722 being the NSC staffers, and indicated what we were going to

2723 do if it were legally acceptable, and that is restated in

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2724 his memo, the Kimmitt/Fielding memo where he said that we  
2725 have made clear to the NRF that the White House would not be  
2726 involved in fund-raising and that basically it will be a  
2727 briefing, and I have no reason to believe that after we  
2728 received this guidance from our General Counsel, Mr.  
2729 Kimmitt, that we would do anything other than follow that  
2730 guidance.

2731 . Now what we were doing under clarification, whether  
2732 it was or was not the way that North and Raymond wrote the  
2733 first memo, this was obviously MSC's position in the 17  
2734 January memo from Kimmitt to Fielding, and we would be  
2735 obliged to follow that position. So therefore, no reason to  
2736 believe that any actions that took place would do anything  
2737 other than follow the Kimmitt instruction if Kimmitt was in  
2738 fact authorized thereafter to proceed by Fielding.

2739 . Q Did you have any discussions with anyone about Fred  
2740 Fielding's original memorandum after you, for the second  
2741 memorandum to Bob Kimmitt--in other words, did you ask  
2742 anybody to talk to Fielding to get him to change his mind or  
2743 to give you the green light?

2744 . A I think that to my knowledge it is the  
2745 only--Fielding's memo comes down on the basis of the paper  
2746 that was written by North and Raymond.

2747 . MR. MCGRATH: I think it would be useful if--

2748 . MR. OLIVER: I am going to put that in the record

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2749 in just a minute.

2750 MR. MCGRATH: We looked at Fred's memo to complete  
2751 the loop on this matter.

2752 MR. OLIVER: All right, I will do that. I have  
2753 another exhibit which I would like to enter prior to that  
2754 memorandum which has some bearing on the question I have  
2755 just asked.

2756 MR. MCGRATH: Another point I am making is we seem  
2757 to have a number of other pieces to the puzzle here, and I  
2758 mean I don't see any point in not putting everything on the  
2759 table at once.

2760 MR. OLIVER: Well, I will be glad to do that,  
2761 counsel. I was trying to--trying to ask a couple of other  
2762 questions, and I would just like him to answer that question  
2763 first before, and then I will put the other two exhibits on  
2764 the table. I just wanted to ask whether or not you recall  
2765 or remember talking to anyone else about trying to get Fred  
2766 Fielding to ease up or change his mind on this.

2767 A To the best of my knowledge, the answer is no. We  
2768 wrote a paper. It may or may not have need for  
2769 clarification. I think to some degree Kimmitt's memo of 17  
2770 January reflects conversation with us where the actions  
2771 which were permissible as far as the MSC were concerned was  
2772 clarified and we would obviously do exactly what was said  
2773 here to Kimmitt and Fielding, if Fielding, in responding to

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2774 17 January, said okay. If he said, no, obviously that is  
2775 something else again.

2776 Q Do you remember discussing it with Ollie North  
2777 after the first Fielding response?

2778 A I don't remember going one on one with Ollie.  
2779 Obviously there was some discussion with Bob Kimmitt.  
2780 Whether Ollie was present or not because he has clearly  
2781 made--made his own judgment here on the 17 January memo, and  
2782 I think we had to talk to him about that.

2783 Q Do you remember discussing it with John Roberts?

2784 A No. I don't know, but--

2785 MR. OLIVER: I would like to enter as exhibit  
2786 whatever number we are on--12 and 13, two memorandums, the  
2787 first of which is dated January 18, 1985 from John Roberts  
2788 to Fred Fielding and the committee identification number is  
2789 N39618, and the second is N39667, dated January 8, and is a  
2790 memo from Fred Fielding to Robert Kimmitt.

2791 I would like to mark those as Exhibits 12 and 13.  
2792 [Whereupon, the documents referred to were marked  
2793 as Walter Raymond Exhibit Numbers 12 and 13, respectively.]

2794 BY MR. OLIVER:

2795 Q Do you recognize, Mr. Raymond, either one of those  
2796 memorandums? Have you seen them before?

2797 A Well, frankly, I don't remember seeing either of  
2798 them.

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2799 . Q You were aware that all this was going on, that  
2800 there was some efforts--

2801 . A I am not--no. I mean you must perceive in my  
2802 responses here which have been very uncertain, I am not  
2803 aware of a lot of this, and I do not feel that I--you know, I  
2804 don't recall being aware of this process of legal ~~process~~ <sup>recalling</sup>  
2805 I don't recall this.

2806 . Q Weren't you sort of the action officer on this.

2807 . A No, not necessarily. I know there is a joint  
2808 signature, and I know that I wrote that memo, and I said  
2809 Ollie, but that does not necessarily total up that I was the  
2810 one working the Nicaraguan refugee event.

2811 . I was a part player of it. I was in one or two  
2812 meetings, and then I phased out of it.

2813 . Q Did you also ask Bud McFarlane to attend that  
2814 briefing?

2815 . A I had, to the best that I can recall, absolutely  
2816 nothing to do with the CEO briefing.

2817 . Q Did you do--

2818 . A I didn't attend it. I didn't write the talking  
2819 points for it. I don't even know where it took place,  
2820 unless I have gone completely blank.

2821 . Q Are you sure you didn't write the talking points  
2822 for it?

2823 . A I am comparatively sure.

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2824 . Q Well, let me refresh your memory. I would like to  
2825 have marked as Exhibit 14 a document dated January 22, 1985,  
2826 a memorandum for Bud McFarlane from Oliver North and Walter  
2827 Raymond, Jr., "Talking Points for Briefing, Re Nicaraguan  
2828 Refugee Effort." Its committee identification numbers are  
2829 H14842,4344.

2830 . [Whereupon, the document referred to was marked as  
2831 Walter Raymond Exhibit Number 14 for identification.]

2832 . BY MR. OLIVER:

2833 . Q Mr. Raymond, you have seen that document that is a  
2834 memorandum from you and Ollie North regarding the talking  
2835 points for the Nicaraguan Refugee Fund. Does that refresh  
2836 your memory about whether or not you had something to do  
2837 with writing the talking points?

2838 . A I did not write the talking points.

2839 . Q That is your signature on the memorandum.

2840 . A It is.

2841 . Q Who wrote the talking points.

2842 . A I presume Ollie North--in fact, yes, Ollie North.

2843 . Q Why is your name on that memorandum?

2844 . A Basically because Ollie North put it there.

2845 . Q But you signed it.

2846 . A I signed it because we had been talking about this  
2847 issue before, and it came through as a package, so I signed  
2848 it.

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2849 . Q But the talking points are substantive.

2850 . This one--

2851 . MR. OLIVER: I would like to submit as exhibits--

2852 . MR. MCGRATH: I think we are at 15.

2853 . MR. OLIVER: --documents which are, I believe,

2854 cover pages for documents within the National Security

2855 Council and the White House which have committee numbers

2856 N14869 and N14870 which are related to the talking points

2857 document, and of the same package, Number 0186 on them as

2858 appears on the talking points memorandum. And I would like

2859 to--

2860 . MR. MCGRATH: We don't--on that, okay.

2861 . MR. OLIVER: All right.

2862 . I would like to ask the reporter to mark these.

2863 . [Whereupon, the documents referred to were marked

2864 as Walter Raymond Exhibit Numbers 15 and 16, respectively.]

2865 . BY MR. OLIVER:

2866 . Q Now, Mr. Raymond, these documents which I am going

2867 to show you were attached to those talking points, and the

2868 first document has written on the bottom of it, "Return to

2869 Raymond for further action, cc: to North and JNP, (the

2870 entire page.)"

2871 . The second one says, "Return to Raymond, North,

2872 Walt, Ollie, reconsider in light of Fielding memo."

2873 . A So these are for different memos then. Right?

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2874 . Q There was--

2875 . A Let's see, this is the talking points--what does

2876 this thing go with?

2877 . Q With the Fred Fielding memorandum, which is--

2878 . MR. MCGRATH: Could we go off the record a second?

2879 . MR. OLIVER: Yes, go off the record a second.

2880 . [Discussion held off the record.]

2881 . MR. OLIVER: Could we go back on the record?

2882 . BY MR. OLIVER:

2883 . Q The two documents that have just been put into

2884 evidence were cover pages for documents which bear the

2885 numbers 0186 and 0197--add--add on--which corresponds to the

2886 White House numbers on exhibits 7, 8, 9 and 10, but

2887 apparently all of these came out of the same White House

2888 file.

2889 . Is it your understanding, Mr. Raymond, knowing the

2890 White House document system, that all of these documents

2891 came out of the same system, one file with the number 186--

2892 . MR. MCGRATH: Before Mr. Raymond responds, the

2893 record should reflect, however, that Exhibits 15 and 16 are

2894 not, however, date stamp numbered in consecutive order as if

2895 they came from the top of Exhibits 7, 8, 9 and 10.

2896 . MR. OLIVER: Well, we don't know. That is why I

2897 am asking if he understands the--

2898 . THE WITNESS: What I would state is if you have a

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2899 number like this, that is an action number for the MSC and  
 2900 or some reason or another you have follow-up or add-on  
 2901 actions on the same action you may have it marked as either  
 2902 follow-up or add-on, but having said that, I can't put these  
 2903 things together in a margin which indicates to me what the  
 2904 difference is between these two cover notes, and they are--I  
 2905 realize one says add on, and one doesn't, but it is not  
 2906 clear.

2907 BY MR. OLIVER:

2908 Q Well, is it fair to say, Mr. Raymond, these  
 2909 documents that we have been discussing for the past few  
 2910 moments indicate that you were involved in the effort to  
 2911 have the briefing for the CEO's on Nicaraguan refugees  
 2912 approved?

2913 A No, it is not fair to say that/ because I realize  
 2914 my signature is on these. I have not seen--to my knowledge I  
 2915 do not recall--I am having trouble reconstructing this cover  
 2916 note--I do know the action on ~~the reclama~~ <sup>the reclama</sup> was handled by  
 2917 Ollie. I realize my signature was on this.

2918 The action on reclama was handled by Ollie.

2919 Q But it is your testimony even though your signature  
 2920 is on there, Ollie North was the person who was pushing this  
 2921 reclama?

2922 A In terms of the CEO briefing, that is right.

2923 Q You just assented to it and was not involved

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2924 parallel and was not involved in talking points either.  
2925 . A Even though I had my signature on it. It was a  
2926 lesson I should learn for the future.  
2927 . MR. FRYMAN: Can we go off the record?  
2928 . MR. OLIVER: Go off the record.  
2929 . [Discussion held off the record.]  
2930 . MR. OLIVER: Back on the record.  
2931 . BY MR. OLIVER:  
2932 . Q Did you have any further involvement with the  
2933 briefing for the CEOs which took place in the White House.  
2934 . A No, I did not. I acknowledge--I mean this is my  
2935 signature. I don't question that in terms of the talking  
2936 points.  
2937 . Q Did you attend any briefings or meetings prior to  
2938 this CEO briefing that were related to it?  
2939 . A To the best that I can reconstruct, the only aspect  
2940 of this program that I was involved in at all was  
2941 discussions concerning the dinner. We have one evidence  
2942 where there was discussion concerning the dinner, and I  
2943 think there may have been a second meeting concerning the  
2944 dinner, and that is it.  
2945 . Q Did you attend any of the events, the briefing or  
2946 the dinner?  
2947 . A No briefing. I attended the dinner.  
2948 . Q Did anybody else in the White House attend the

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2949 dinner?

2950 . A Quite a few people. I can't identify them all, but

2951 it was well attended.

2952 . Q It was well supported by the White House.

2953 . A You know--yes, I think it was quite well-supported.

2954 I don't know how it can't be precise. Quite a number of

2955 people.

2956 . Q You were not involved any further with Edie Fraser

2957 during the preparations for the Nicaraguan Refugee Fund

2958 dinner?

2959 . A I had one meeting which I think we stated--the 8th

2960 of January, I believe, and I think there was one more

2961 meeting.

2962 . Q Was the dinner a success?

2963 . A Not particularly.

2964 . Q What do you mean by not particularly?

2965 . A Well, according to press reports--I have no

2966 knowledge of this first hand--according to press reports

2967 \$17,000 was raised which was given to the organization that

2968 was providing direct humanitarian assistance to the children

2969 and to the families.

2970 . Q Who else was involved in the White House and in

2971 coordinating or working with the people who were putting on

2972 the dinner besides you?

2973 . A Well, my involvement, as I have said several times,

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2974 | was very limited, so I can't be absolutely certain who else  
2975 | was. I was in one other meeting and that was it, and there  
2976 | was a lot of discussion that obviously had to take place.  
2977 | and I don't know.

2978 |         May have been--I notice that Bob Riley's name was in  
2979 | there and Faith Whittlesey's name, so I think the Office of  
2980 | Liaison had something to do with it.

2981 |         MR. OLIVER: I would like to ask the reporter to  
2982 | mark this document as Exhibit Number 17. It is an MSC  
2983 | intelligence document with the committee identification  
2984 | number, 4030 through 40315--40300 through 40315.

2985 |         [Whereupon, the document referred to was marked as  
2986 | Walter Raymond Exhibit Number 17 for identification.]

2987 |         BY MR. OLIVER:

2988 |         Q I ask you to look at this memorandum and the  
2989 | attachments, Mr. Raymond, just for identification, and ask  
2990 | you if you have ever seen this document before.

2991 |         A I have not seen this document before it was given  
2992 | to me by the press within the last month, again, as another  
2993 | piece of evidence that had been presented on the committee.  
2994 | The chronological events check list I had seen some--or most  
2995 | of this before.

2996 |         I had never seen this little thing at the end, this  
2997 | little advertisement, but I had not seen the cover memo.  
2998 | That is--the point, I might say, that the way it works, if I

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2999 were to have seen it or be part of the process, I would have  
3000 been down in the coordination part--  
3001 . Q But you did see the chronological check list which  
3002 was attached?  
3003 . A I have to say I don't know whether this is exactly  
3004 what I had seen before, but I had seen something like this,  
3005 yes.  
3006 . Q Did you ever see documents of this nature of the  
3007 chronological events check list while you were at the NSC.  
3008 . A Well, yes. I mean this particular document, as  
3009 stated here, is something that has emerged from an action  
3010 group that Pat Buchanan was chairing.  
3011 . Q Were you part of that ad hoc working group?  
3012 . A I noticed there were four meetings. I think I  
3013 attended one or two of the four.  
3014 . Q Were you given responsibilities in those meetings  
3015 for events on this chronological check list?  
3016 . A I have to check each of the ones. I would say,  
3017 yes, but I am not sure that each one here is accurate. I  
3018 will have to read each one.  
3019 . Q Well, let me go through the ones where you were  
3020 mentioned. On page 40303, the third paragraph indicates,  
3021 "Assigned U.S. Intelligence Agent to research, report and  
3022 clear for public release Sandinista military actions  
3023 violating the Geneva Convention/civilized standards of

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3024 warfare." The responsibility indicates NSC, North and  
 3025 Raymond.

3026 . A All right. In this particular case this was done  
 3027 by North, not by Raymond. There could have been a dimension  
 3028 of this if the LPD office had been collating material on  
 3029 these types of human rights violations. Might have been  
 3030 type of an item like one of those booklets I passed around.  
 3031 Might have been one of the items that LPD helped produce,  
 3032 but in this case I did not have any action.

3033 . If I see my name listed here, that does not mean I  
 3034 had an action.

3035 . Q All right. On page 40305, it indicates in the  
 3036 third paragraph, "Brief the Presidential meeting with Lew  
 3037 Lehrman and other leaders of the influence-groups working on  
 3038 MX and resistance funding," and it has there, "MSC  
 3039 Raymond, North."

3040 . Were you responsible for that?

3041 . A I was not responsible for the Presidential meeting  
 3042 to the best of my knowledge. I did participate, as I  
 3043 mentioned earlier in that White House meeting with Lew  
 3044 Lehrman, but at a much lower level, and I do not recall  
 3045 being involved in any scheduled proposal for the President's  
 3046 meeting with Lehrman. I could be wrong because there are a  
 3047 lot of schedule proposals, but I don't recall that.

3048 . Q It indicates that--in that paragraph that these

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3049 influence groups at the Presidential meeting with Lew  
3050 Lehrman were working on MX and resistance funding.  
3051 . A That is right, but I didn't participate.  
3052 . Q How were they working on resistance funding?  
3053 . A I don't know. I wasn't part of it.  
3054 . Q Even though you are listed as being responsible for  
3055 it along with Ollie North, you don't know.  
3056 . A I didn't write this memo, and didn't sign on the  
3057 paper that went forward.  
3058 . Q But you did attend.  
3059 . A I attended a Lehrmen meeting with that group that  
3060 you have in the listing.  
3061 . Q Well, that event took place sometime prior to this.  
3062 . A That's the only time I ever met Lew Lehrman.  
3063 . Q But my question was do you know of influence groups  
3064 that were working on resistance funding?  
3065 . A No.  
3066 . Q On page 40306, there is in the third paragraph, it  
3067 indicates review and restates themes based on results of  
3068 public opinion poll. State--and the responsibility indicates  
3069 State/LPD, Otto Reich, NSR, North and Raymond.  
3070 . Do you know what that refers to?  
3071 . A Not specifically, but I do know that I would work  
3072 closely with Reich on opinion polls and then try to adjust  
3073 themes as required.

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3074 . Q Were you taking public opinion polls?

3075 . A No. This is opinion polls that were--that were in

3076 the public domain.

3077 . Q Not a particular public opinion poll that was done-

3078 by you or LPD.

3079 . A No.

3080 . Q On page 40310, it indicates, first paragraph,

3081 "Nicaraguan Refugee Fund dinner, Washington, D.C.;

3082 President as Guest of Honor. Responsibility, State/LPD,

3083 Miller, NSC, Raymond." Does this refresh your memory about

3084 whether or not you were involved in the preparation for the

3085 dinner?

3086 . A No. I was involved in some aspects of the dinner.

3087 I was involved--honestly more at the margin than the center.

3088 What we had was I had that meeting on the 8th of January and

3089 one other meeting that I recall, but the process moved over

3090 to State, and I was not a major actor in the details and

3091 there were a lot of details.

3092 . Q Was this meeting--was this Nicaraguan Refugee Fund

3093 dinner a topic of your Central American public diplomat

3094 meeting?

3095 . A Not particularly.

3096 . Q Who is the Miller referred to?

3097 . A Jonathan.

3098 . Q It is Jonathan, okay.

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3099 | .           How do you know that is Jonathan Miller and not  
3100 | Rich Miller?

3101 |     A     All right. I would say I can't be 100 percent  
3102 | sure. There is only one Jonathan Miller in LPD, and that is  
3103 | the extrapolation. I would have to say on the basis of this  
3104 | it appears to be. I know that on the case of the Nicaraguan  
3105 | Refugee Fund Dinner, there was work done in LPD on it.

3106 |     Q     And it was done by Jonathan Miller.

3107 |     A     I--I am not sure. I think so, but I am not 100  
3108 | percent certain.

3109 |     Q     On page 40313, the fourth paragraph indicates  
3110 | ''Visit by various members of European parliaments who  
3111 | support the President's various policies on Central America;  
3112 | Responsibility, NSC, Raymond, White House Office of Public  
3113 | Liaison, Riley.''

3114 |           Were you responsible for coordinating that visit?

3115 |     A     Basically Riley did this with about six  
3116 | parliamentarians. They did see the President. I met them  
3117 | in context when they were here. I think we had a luncheon  
3118 | with them in the Proposal Room. When it is a foreign policy  
3119 | issue, most of the time you get a co-sponsor. If OPL goes  
3120 | forward with the schedule proposal, most of the time it is  
3121 | an NSC officer. I co-signed.

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3122 RPTS MAZUR

3123 DCMN PARKER

3124 . Q Do you know who funded the visit of the European  
 3125 members of parliament to the United States?

3126 . A I think they <sup>paid</sup> ~~pay~~ for it themselves.

3127 . Q None of their activities were funded to your  
 3128 knowledge.

3129 . A To my knowledge.

3130 . Q Further down the page there is a listing, <sup>that</sup> says,

3131 "'Conference on Religious Freedom, Presidential drop-by in  
 3132 Room 450, OEOB; Responsibility, MSC Raymond.'"

3133 . MR. BUCK: Is that relevant, Mr. Oliver?

3134 . MR. OLIVER: We will find out in a minute.

3135 . If you look at the top of the page, counsel, it  
 3136 says, "Public diplomacy Presidential events regarding  
 3137 Nicaragua resistance.'"

3138 . THE WITNESS: My recollection is that we had  
 3139 several religious figures from Nicaragua that were in town,  
 3140 and we had a conference with a number of people interested  
 3141 in that subject, and we had a Presidential drop by in 450.  
 3142 I don't know if that is accurate.

3143 . BY MR. OLIVER:

3144 . Q Who sponsored the visit of these religious leaders?  
 3145 Do you know?

3146 . A I do not recall.

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3147 . Q Do you know whether their visit was funded by U.S.  
 3148 Government funds either directly or indirectly?  
 3149 . A I--unfortunately, I do not. I have to check the  
 3150 records. I don't remember.  
 3151 . Q Was it your understanding that this time line was  
 3152 of events and activities--was designed to influence the  
 3153 congressional vote on aid for the Nicaraguan resistance?  
 3154 . A No. I think--every time there was a--you know--an  
 3155 effort to--was a vote that there were efforts that took place  
 3156 someplace in Washington to try to focus the issues, and this  
 3157 particular case I think Pat Buchanan had the lead on this.  
 3158 The diplomacy effort that I was involved in was  
 3159 basically on the margin, and I suspect there was that very  
 3160 much in mind.  
 3161 . Q Why do--do you know why the names of Frank Gomez and  
 3162 Dan <sup>Kingendall</sup>~~McGrath~~ appear in this time line with responsibilities?  
 3163 . MR. MCGRATH: Do you have a specific one?  
 3164 . MR. OLIVER: Well, they appear on page 40304 under  
 3165 the heading of State/LPD with the name, Gomez and <sup>Kingendall</sup>~~McGrath~~,  
 3166 appear twice.  
 3167 . THE WITNESS: I don't know specifically.  
 3168 . BY MR. OLIVER:  
 3169 . Q Did they attend any any of these meetings.  
 3170 . A No.  
 3171 . Q Who attended the ad hoc meeting with Pat Buchanan.

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3172 . A The meeting I attended and I didn't attend them  
 3173 all--was a heavy collection of people from the congressional  
 3174 side, State and the White House, and then there were a few  
 3175 other people such as--well, Buchanan chairing, North, I think  
 3176 Reich was in the meeting, Miller, Jonathan, from LPD.  
 3177 . I think probably Constantine Menges was there in  
 3178 this time frame, so you had State and MSC, White House--I  
 3179 think principally. And as I say, you were principally  
 3180 dealing with congressional strategy.  
 3181 . Q Let me turn for a minute to another subject. You  
 3182 were involved, were you not, with--  
 3183 . MR. MCGRATH: Just one second.  
 3184 . [Discussion off the record.]  
 3185 . MR. MCGRATH: Sorry.  
 3186 . BY MR. OLIVER:  
 3187 . Q You were involved, were you not, Mr. Raymond, with  
 3188 the International Youth Year activities?  
 3189 . A Yes.  
 3190 . Q What was your involvement?  
 3191 . A I basically was a coordinator in the White House in  
 3192 trying to provide focus to an International Youth Conference  
 3193 that took place in Jamaica.  
 3194 . Q When did you assume that responsibility?  
 3195 . A I guess it would be sometime in mid 1984.  
 3196 . Q Who asked you to do that?

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3197 . A Well, it started--the International Youth Year, you  
3198 know, was observed in 1985 and there was an effort to try to  
3199 determine what one could do in the international arena which  
3200 made it of interest to the National Security Council, and  
3201 these kinds of functional things basically fall into my  
3202 office.

3203 . We worked--it worked very closely with State and  
3204 with USIA to develop the governmental side to that issue.

3205 . Q Were you given that assignment by someone or did  
3206 you just sort of step into it?

3207 . A Well, I think--I think in some cases you step into  
3208 these things when they are in your functional area. I mean  
3209 youth, waiver, business. These are sort of the generics  
3210 that are part of the democracy-building umbrella that was  
3211 sort of lodged in my office, so these kinds of functional  
3212 issues would come here.

3213 . I would say one thing. I don't know whether this  
3214 would simplify our discussion, but I would like to make one  
3215 statement. I have never in the entire time I was in the NSC  
3216 discussed the International Youth Commission which is on the  
3217 Ollie North funding chart with Ollie North. Secondly, Ollie  
3218 North never participated in any meeting that ever took place  
3219 with me or anyone else that I am aware of on the  
3220 International Youth Commission, the International Youth  
3221 Committee or anything to do with Jamaica.

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3222 I know that is in that chart, and I would just like  
3223 it on the record saying there was no Ollie North  
3224 involvement. I have an idea why--to my knowledge--why IYC is  
3225 on that chart. I do know that we have run audits both  
3226 through AID where a great deal of money came from, and I  
3227 believe there was a parallel audit in Jamaica in which the  
3228 authorities were very satisfied that the money had been  
3229 spent properly with no diversions.

3230 Q International Youth Year was a United Nations  
3231 effort, was it not?

3232 A Yes.

3233 Q Was the Bureau of International Organizations at  
3234 the Department of State involved?

3235 A Yes.

3236 Q Did they have a primary responsibility?

3237 A They had a major responsibility, a fellow named Dan  
3238 Phillips, and--at all times we worked very closely. I am not  
3239 the big guy who ran International Youth Year. This was very  
3240 much a joint effort, and it was--many of the meetings took  
3241 place in the State Department, sometimes they took place in  
3242 the NSC.

3243 Jerry Helman was involved with his Office of Under  
3244 Secretary and others. Phillips' departure for an overseas  
3245 post left somewhat of a void in--on the state side.

3246 Q How did Roy Godson become involved in International

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3247 Youth Year activities?

3248 . A Well, this may not have much relevance to the Iran  
3249 contra thing, but we are getting into sort of history here.  
3250 When I was looking at it from the point of the international  
3251 dimensions in Jamaica, Roy Godson and groups that were  
3252 trying to create a--something analogous to an IYYC, a U.S.  
3253 IYYC Commission, within the process of being formed and  
3254 created, and--

3255 . Q Was Roy Godson a consultant to the NSC at that  
3256 time?

3257 . A Yes, he was. I don't recall. I could be wrong on  
3258 this. I don't recall that--I would have to check the records  
3259 on what Roy Godson was doing. I don't believe so, but I  
3260 would have to check that.

3261 . Q Were you involved in trying to raise funds for the  
3262 International Youth Year meeting in Jamaica?

3263 . A Yes, in various ways. Particularly, trying to get  
3264 AID funding, see what USIA could do for facilitative  
3265 purposes and try to get foreign national funding, German  
3266 foundations, and there were a couple of occasions when  
3267 private people who were close to Seaga--Prime Minister Seaga  
3268 of Jamaica, came to Washington to see whether they can help  
3269 support the Jamaican youth conference.

3270 . There was also an effort by the American  
3271 Ambassador, I believe, to reach out to some of the American

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3272 corporations with Jamaican subsidies to see whether they  
3273 could facilitate the effort. Again, it was an ~~an~~  
3274 interagency process from our side.

3275 . I was involved and State was involved, and AID was  
3276 involved, and USIA was involved. When that kind of thing  
3277 happens, even though most of the work may be done in State  
3278 or AID, someone has got to coordinate it, and after Phillips  
3279 left, I ended up picking up a bit more of a coordination  
3280 responsibility than, frankly, I would have liked.

3281 . Q How much U.S. Government money were you able to  
3282 obtain for the International Youth Year?

3283 . MR. BUCK: I want to state an objection for the  
3284 record on behalf of the minority before this continues. If  
3285 Mr. Oliver can't show relevance to the Iran contra affair,  
3286 the diversion of funds or anything else that is associated  
3287 and outlined in the resolution, I would request that he  
3288 cease this line of inquiry.

3289 . MR. OLIVER: I will get to that, counsel.

3290 . MR. MCGRATH: Actually, could we go off the record  
3291 and could you state, you know, what the relevance is going  
3292 to be?

3293 . MR. OLIVER: Sure.

3294 . [Discussion held off the record.]

3295 . MR. OLIVER: What was the last question?

3296 . [The pending question was read by the reporter.]

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3297 . THE WITNESS: I don't have this in front of me, but  
3298 my recollection--this is obtainable. I mean this is a fact.  
3299 My recollection is in excess of a million dollars.

3300 . BY MR. OLIVER:

3301 . Q And those funds came from a combination of USIA  
3302 aid.

3303 . A The U.S. Government money was largely AID. USIA  
3304 money was in the sense support costs--a little limited amount  
3305 of travel and that sort of thing. AID was the principal  
3306 funding.

3307 . Q Were there any other government agencies besides  
3308 USIA and AID involved in funding the conference?

3309 . A No.

3310 . Q Did you attend the conference?

3311 . A No.

3312 . Q Did you go to Jamaica in preparation for the  
3313 conference at any preparatory meetings?

3314 . A No, Gerald Helman did.

3315 . Q Were you aware that at the conference a committee  
3316 or a steering committee was set up known as the  
3317 International Youth Year or International Youth Committee?

3318 . A I was aware that a structure was proposed as part  
3319 of the conference deliberations. It included a number of  
3320 international youth figures. Because of no follow-on  
3321 funding, that structure never really came into being. There

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3322 was a parallel Jamaican structure which was to house this  
 3323 called something--possible Jamaican Youth Committee, possible  
 3324 International Youth Committee. I don't know.

3325 . There may have been a door plate, limited funds  
 3326 were still available, and the principal officer in the  
 3327 Jamaican government, Errol Anderson, on behalf of Prime  
 3328 Minister Seaga, very much wanted to see a follow-on  
 3329 international youth structure which could be democratic; it  
 3330 could be some kind of a balance in Soviet sponsored youth  
 3331 festival and their organizations such as WFDW.

3332 . The money that was left over, I cannot be precise  
 3333 on. But this is a matter of public record, both in Jamaica  
 3334 and in AID. One or two staffers were kept on for a period of  
 3335 time and funded while others hoped that funds would come on  
 3336 line. Funds didn't--

3337 . Q Were any of those staffers Americans?

3338 . A I don't think so. I don't think so. And where we  
 3339 are now, is there no organizations left? I mean, that is  
 3340 all finished.

3341 . Q Did you attempt to obtain funding for the follow-on  
 3342 activities?

3343 . A Well, I wanted to, but as we both know, there was a  
 3344 congressional edict against it, so therefore you couldn't  
 3345 use USG funds. I had talked to the *Kenneth Adelman*  
 3346 before the conference, and had hoped that they would be

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3347 interested in a fairly substantial support for a follow-on  
3348 organization, but they were only interested in supporting a  
3349 follow-on organization if the United States Government were  
3350 also prepared to support a follow-on organization which was  
3351 not possible with the legislation.

3352 Q Was Roy Godson involved in the follow-on  
3353 organization?

3354 A Well, since--I mean it really wasn't any follow-on  
3355 organizations, so he was basically out of it.

3356 Q To your knowledge, he had no involvement in the  
3357 follow-on organization?

3358 A No. He was--to be frank, he was obviously a friend  
3359 of and in contact with Errol Anderson, but there was no  
3360 follow-on activity, so I mean--you know, a door plate and one  
3361 or two people on a retainer basis for a few months while  
3362 Seaga and Anderson hope there will be funding for a new  
3363 Democratic International in the youth field.

3364 None comes. It atrophies, end of that. Now, how  
3365 much money we are talking about, I don't know, but my  
3366 understanding is very little.

3367 Q Where did you get that understanding?

3368 A Talking to Errol Anderson.

3369 Q Did--

3370 A I don't have a document. I do know where AID money  
3371 was spent because we have an audit.

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3372 . Q I am talking about the follow-on now.

3373 . A I can't.

3374 . Q To your knowledge, did Roy Godson attempt to raise

3375 money for the follow-on activities.

3376 . A To your knowledge, he had not. He wanted to see,

3377 and candidly he wanted to see a follow-on activity, but he

3378 knew that we were unable to do it from the government's

3379 side, and he knew it wasn't possible for the private side.

3380 . Q Did you know that Oliver North asked Roy Godson to

3381 raise funds for projects in Nicaragua.

3382 . A No, I did not, and I can make no comment. I did

3383 not.

3384 . Q Did you ever meet a man named Terry Swane.

3385 . A No.

3386 . Q Did you ever meet a man named John ~~Swane~~ <sup>Swane?</sup>

3387 . A No.

3388 . Q Scott Miller?

3389 . A No.

3390 . Q When the allegations were made in the press after

3391 the Tower Commission report that the International Youth

3392 Year Commission might have been related to the International

3393 Youth Year activity that you were involved in, did you

3394 attempt to find out whether or not Oliver North was involved

3395 with the follow-on to the International Youth Year

3396 Committee.

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3397 . A Well, first recall this came out in--it was after  
3398 people had left so that I couldn't go in and ask Ollie North  
3399 directly, which I would have liked to have done, but I would  
3400 say there is no way to check what I had available to him.

3401 . In other words, the best of my knowledge there was  
3402 no diversion of funds to the contras, to the best of my  
3403 knowledge there was very, very little, if any, money left  
3404 over after the conference, and if it was, it was in the  
3405 possession of Minister Errol Anderson, who was holding it in  
3406 escrow and using it on a slow basis for guys on retainer,  
3407 hoping the funding would come in, and I have not seen Errol  
3408 Anderson in the last few years--once or twice, and I have  
3409 asked him about this, and as best I can figure outline--we  
3410 are talking about, you know, something on the order of about  
3411 \$25,000.

3412 . Q My question was whether or not you attempted to  
3413 find out whether or not Oliver North had been involved in  
3414 the follow-up to the International Youth Commission.

3415 . A I made no specific effort to pursue that at that  
3416 time. This was now, what? February? Something like this  
3417 when it comes out--March? At that point, all files had been  
3418 sequestered from the NSC. There was none to ask--unless we  
3419 were going to do an audit. The audit had been done before,  
3420 so we knew what the audit said.

3421 . Q Did you attempt to find out whether Oliver North--

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3422 . A I said no three times.

3423 . Q Did you discuss this with Roy Godson?

3424 . A I did discuss the allegations of the IYC, IYYC with

3425 Roy, and I said, 'What the Heck is this?'

3426 . Q And what did he say?

3427 . A He was absolutely amazed to see it on the chart.

3428 He thought it was dead wrong.

3429 . Q Did he indicate to you at that time that he had

3430 some involvement in fund-raising for these projects in

3431 Central America with Oliver North?

3432 . A He did not.

3433 . Q Did he report to you at the White House as a

3434 consultant?

3435 . A No, if he reported to anybody probably reported to

3436 John Poindexter, but he did not report to him. He

3437 occasionally did things for me, but they were not obviously

3438 in the area that involved Central America.

3439 . Q Do you know Rob Owen?

3440 . A No.

3441 . Q I am going to ask you a series of names now, and we

3442 can get this over with, hopefully, very quickly.

3443 . Q Richard ~~Smith~~. Second.

3444 . A No.

3445 . Q Albert Hakim?

3446 . A No.

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3447 . Q George Cave?  
3448 . A Yes.  
3449 . Q Did you know George Cave in any context related to  
3450 Nicaragua or Iran?  
3451 . A No.  
3452 . Q Amiran, A-M-I-R-A-M, Mir, M-I-R?  
3453 . A No.  
3454 . Q Jacob Nimrodi?  
3455 . A No.  
3456 . Q Ali Schwimmer?  
3457 . A No.  
3458 . Q David Kimche.  
3459 . A No.  
3460 . Q Adnan Khashoggi?  
3461 . A No.  
3462 . Q John Shaheen?  
3463 . A No.  
3464 . Q Did you have any knowledge of the effort to raise  
3465 money from third countries for the Nicaraguan resistance?  
3466 . A No.  
3467 . Q Do you know, [REDACTED]  
3468 . A Yes.  
3469 . Q Did [REDACTED] have any involvement in  
3470 funding or seeking assistance for the Nicaraguan resistance.  
3471 to your knowledge?

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3472 . A To my knowledge, no.

3473 . Q Do you know--did you know Glen Souham?

3474 . A No.

3475 . Q Do you know Neal Livingston?

3476 . A No.

3477 . Q Terry Arnold?

3478 . A I know--who is Terry Arnold? Where does he sort of

3479 fit in--no, I don't think so. I know a Tony Arnold. I don't

3480 think I know a Terry.

3481 . Q Bruce Cameron?

3482 . A Yes.

3483 . Q How do you know Bruce Cameron?

3484 . A We were both on the--Guatemala--Presidential election

3485 observer team to Guatemala.

3486 . Q Dan ~~Kirkdall~~ <sup>Kirkdall?</sup>

3487 . A Yes.

3488 . Q How do you know Dan ~~Kirkdall~~ <sup>Kirkdall?</sup>

3489 . A Well see--how do I know him. I met him once with

3490 Ollie North.

3491 . Q You had a meeting with Ollie North.

3492 . A No it was a group of people. I am trying to

3493 remember who was there.

3494 . Q There is an indication on Oliver North's calendar

3495 in here somewhere there was a meeting with you and Dan

3496 Kirkdall. Do you recall such a meeting?

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3497 . A I recall a meeting--but I don't recall the dates. I  
3498 don't recall context.

3499 . Q How about February the 16, 1985?

3500 . A Could be.

3501 . Q Do you remember what the meeting was about--11:30 in  
3502 Oliver North's office?

3503 . A What I recall on this, and it is hazy, is that--I  
3504 basically remember something to the effect that we had a  
3505 mutual--

3506 . Q Sorry, may have been 1986.

3507 . A My recollection is that we had a mutual friend in  
3508 France that had been a very distinguished French  
3509 governmental official that I knew.

3510 . Q Was this a French intelligence--former French  
3511 intelligence official?

3512 . A Yes, and we were discussing him.

3513 . Q That is what the discussion was about? Were you  
3514 aware of any funds that were raised by Spitz Channel or any  
3515 of his associates going to fund the Nicaraguan resistance?

3516 . A No. I have never met Spitz Channel.

3517 . Q Did you ever attend a meeting at Dan Kirkdall's  
3518 town house with Oliver North to discuss legislative strategy  
3519 on AID to the Nicaraguan resistance?

3520 . A I did once.

3521 . Q Why were you at that meeting?

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3522 . A Well, I was there because I was invited. I don't  
3523 think I stayed for the whole meeting. In fact, I know I  
3524 didn't. I don't recall, particularly, who was there. There  
3525 are a number of outsiders. I know <sup>King</sup>~~Kirby~~ <sup>Ball</sup> was there. I  
3526 know Ollie was there.

3527 . Q Sam Dickens.

3528 . A Yeah.

3529 . Q Jacob Ramof?

3530 . A I am not sure I know--see the guy for Citizens  
3531 for--yeah, I think he was there.

3532 . Q Lynn Bouchez.

3533 . A Probably.

3534 . Q Otto Reich.

3535 . A Yeah, Otto and I both left early because, frankly,  
3536 it was not appropriate for both of us to be there, and we  
3537 weren't necessarily particularly briefed as to what the  
3538 meeting was about, and we did not stay there for the whole  
3539 thing.

3540 . Q Who asked you to go to the meeting?

3541 . A I believe Ollie.

3542 . Q Did he tell you he wanted you to come?

3543 . A I think it was something like the lines that it  
3544 would be a useful meeting, sort of like that to discuss  
3545 Central America.

3546 . Q What happened?

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3547 . A Pardon me? What happened at the meeting?  
3548 . I don't remember at all, but it was a question  
3549 of--getting involved in a congressional strategy which, A,  
3550 was not my responsibility when--most of the times when these  
3551 meetings took place, whether it was under the aegis of the  
3552 legislative council, the legislative councils, I would not  
3553 get involved in them, because that was generally held  
3554 separately from public diplomacy.  
3555 . From time to time when something like this  
3556 happened, they sort of put a net out to include people. I  
3557 would get asked, and as I said, I did not stay for the whole  
3558 thing.  
3559 . Q Were you aware that Arturo Cruz was on--was a  
3560 consultant to the NASA strategy information center.  
3561 . A No, I was not.  
3562 . Q Were you aware that Arturo Cruz, Jr.--  
3563 . A Junior or senior?  
3564 . Q I think it was senior in this.  
3565 . A No, I was not.  
3566 . Q Were you aware that Arturo Cruz, Jr. was a  
3567 consultant to the Department of State or given a contract by  
3568 LPD?  
3569 . A No.  
3570 . Q Do you recall a lunch on Friday, April 19, 1976, in  
3571 the White House Mess with Otto Reich, Oliver North, David

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3572 Wopler and Larry Spivey? Wopler, W-O-P-L-E-R.

3573 . A It is Wolper, the media producer--movie producer,  
3574 David W-O-L-P-E-R.

3575 . Q What was the purpose?

3576 . A And the lunch make-up was--did not include North  
3577 despite the fact he is listed there. There were four of  
3578 us--Spivey, Raymond, Raich and Wolper. It was a  
3579 conceptualization discussion of whether--ideas about Central  
3580 America and how one may tell the story better and we  
3581 were--David Wolper was thinking about the possibility of  
3582 perhaps producing a film on Central America. Nothing ever  
3583 came of it. It was Spivey's idea. Spivey is another  
3584 hustler, and he arranged to have Wolper--Wolper is a very,  
3585 very fine person.

3586 . He is the one that did all the television for the  
3587 Olympics, and the Statue of Liberty and had he been  
3588 interested in doing something in Central America, it would  
3589 have been a beautiful piece.

3590 . Q And he wasn't.

3591 . A And he wasn't, no. But it was a great idea, but he  
3592 had a full agenda with the Statue of Liberty coming up.

3593 . Q Are you aware of any funding from any European  
3594 sources for the Nicaraguan resistance.

3595 . A No. My hesitation--when you used the word  
3596 resistance--because I have spoken to the German foundation,

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3597 but that is for the Democratic opposition in the country.

3598 . Q Are you familiar with the Institute for North/South

3599 Issues?

3600 . A Not in any detail.

3601 . Q How are you familiar with them.

3602 . A Well, I am aware that Frank Gomez is associated

3603 with it. I am not at all certain what responsibilities, if

3604 any, that organization had with LPD. I believe that there

3605 is some work that has been done by Frank Gomez on Haiti,

3606 which has been good and totally separate from this activity,

3607 and my principal knowledge of that organization is his

3608 interests in Haiti.

3609 . Q Do you know a man name Brian Crocier, C-R-O-C-I-E-

3610 R?

3611 . A Yeah.

3612 . Q How do you know him?

3613 . A He is a personal friend or I know him as a

3614 journalist <sup>and</sup> therefore a contract <sup>for</sup> 20 years. *Crocier*

3615 . Q Were you aware of any involvement by Brian ~~Crocier~~ *Crocier*

3616 in support for the resistance in Nicaragua?

3617 . A No, I was not.

3618 . MR. OLIVER: I have no further questions.

3619 . THE WITNESS: My God!

3620 . MR. OLIVER: Sorry to take so long, but I

3621 appreciate your cooperation. Maybe Mr. Fryman or Mr. Buck--

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3622 . MR. FRYMAN: I have no questions.

3623 . MR. BUCK: I have no questions.

3624 . MR. FLYNN: Nor do I.

3625 . MR. MCGRATH: Just two points for the record. One,

3626 it is my understanding that a copy of this transcript will

3627 be made available to Mr. Raymond as it has been with other

3628 witnesses, and that pursuant to our discussions this

3629 transcript, although believed to be unclassified, will be

3630 handled as a sensitive document.

3631 . MR. FRYMAN: Off the record a second.

3632 . [Discussion held off the record.]

3633 . MR. MCGRATH: After my first point, strike

3634 everything where I said to.

3635 . MR. FRYMAN: Why don't you read--off the record.

3636 . [Discussion of the record.]

3637 . MR. OLIVER: Let me just ask a couple of

3638 questions, and I cannot show you these notes, but the

3639 questions I ask are based on notes.

3640 . MR. MCGRATH: Can I ask why?

3641 . MR. OLIVER: Because we aren't allowed to show

3642 them to anybody on the basis of your rules.

3643 . BY MR. OLIVER:

3644 . Q Did you ever discuss, Mr. Raymond, with Oliver

3645 North a grant of \$75,000 for a conference to be held in San

3646 Jose, Costa Rica in 1985?

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3647 . A Can you be more explicit as to what kind of a  
3648 conference?

3649 . Q I don't know. I am just asking whether or not--

3650 . A I do not remember any discussion. I do not  
3651 remember any discussion with North for a conference. I am  
3652 aware that under the Public Diplomacy Plan, we have  
3653 sponsored conferences in several places in Latin America,  
3654 including Costa Rica.

3655 . Q But you don't remember discussing--

3656 . A No, I don't remember that.

3657 . Q --discussing it with Ollie North.

3658 . A No, we had one--just want to state for the record  
3659 that it was a conference bringing together concerned Latins  
3660 to discuss Central America.

3661 . Q But you don't recall discussing it with Oliver  
3662 North?

3663 . A I don't recall.

3664 . Q Do you ever recall discussing with Oliver North  
3665 funding for [REDACTED]?

3666 . A I don't think so.

3667 . Q Do you ever recall discussing it with Penn Kemble K-  
3668 E-M-B-L-E?

3669 . A No.

3670 . MR. OLIVER: No further questions.

3671 . MR. MCGRATH: If I may, I would like to note that

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3672 Mr. Raymond appeared here voluntarily today, and he  
3673 exhibited the utmost cooperation with the committee for five  
3674 and a half hours of testimony. Thank you.

3675 MR. OLIVER: We are also very appreciative, Mr.  
3676 Raymond, for your appearing on such notice and for your  
3677 cooperation.

3678 [Whereupon, at 7:45 p.m., the deposition was  
3679 concluded.]

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Committee Hearings  
of the  
U.S. HOUSE OF REPRESENTATIVES



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## DEPOSITION OF WALTER RAYMOND

Wednesday, September 23, 1987

U.S. House of Representatives,  
Select Committee to Investigate  
Covert Arms Transactions with Iran,  
Washington, D.C.

The committee met, pursuant to call, at 9:30 a.m., in  
Room H-405, The Capitol, Spencer Oliver presiding.

Present: Spencer Oliver, on behalf of the House  
Select Committee.

Ken Buck, on behalf of the House Select Committee.

Tom Fryman, on behalf of the House Select Committee.

Nick Wise, on behalf of the House Select Committee.

Victor Zangla, on behalf of the General Accounting  
Office.

Dean Mc Grath, Jr., on behalf of the White House.

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1 Whereupon,

2 WALTER RAYMOND,

3 was recalled for examination by counsel for the House Select  
4 Committee, and having been previously duly sworn, was  
5 examined and testified further as follows:

6 MR. OLIVER: May we go on the record.

7 I would like to remind the witness he is still  
8 under oath. This is a continuation of the deposition which  
9 was begun --

10 MR. MC GRATH: For the record, since this involves  
11 sensitive information, if the persons who are present today  
12 would identify themselves for the record.

13 MR. OLIVER: -- which was begun on September 3rd.

14 Fine. I am Spencer Oliver, Chief Counsel, House  
15 Foreign Affairs Committee, Associate Staff Counsel, House  
16 Select Committee.

17 MR. FRYMAN: I am Thomas Fryman, Staff Counsel to  
18 the House Select Committee.

19 MR. WISE: I am Nick Wise, Associate Staff of the  
20 House Select Committee.

21 MR. BUCK: Ken Buck, Assistant Minority Counsel for  
22 the House Select Committee.

23 MR. MC GRATH: Dean McGrath, Associate Counsel to  
24 the President.

25 THE WITNESS: Walter Raymond, witness.

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1 MR. ZANGLA: Victor Zangla with the General Account-  
2 ing Office and assigned to the House Foreign Affairs Com-  
3 mittee.

4 MR. BUCK: For the record, I would like to ask the  
5 witness to answer all questions within the framework of this  
6 investigation so the answers to the questions are going to  
7 relevant subject matter.

8 MR. OLIVER: You can ask him to answer the questions  
9 you ask and you want him to answer. I ask that he answers  
10 the questions I ask.

11 MR. BUCK: Are you asking him to answer questions  
12 on irrelevant matters, Mr. Oliver?

13 MR. OLIVER: No, I am not.

14 MR. BUCK: If you have any problems with that, I  
15 would like the chairman to rule.

16 MR. OLIVER: I have no problems with relevancy,  
17 but it is not for you to determine.

18 MR. BUCK: It is for the chairman to determine. I  
19 am asking the witness, because of the sensitive nature of  
20 this deposition, to keep his answers within that framework.

21 MR. OLIVER: I am sure the witness will keep his  
22 answers within the scope. His counsel can advise him.

23 MR. BUCK: I think it is important we also advise  
24 him.

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EXAMINATION BY COUNSEL FOR THE HOUSE SELECT  
COMMITTEE

BY MR. OLIVER:

Q Mr. Raymond, we discussed during the previous deposition your duties and responsibilities as Chief of the Intelligence Directorate at the National Security Council and as Special Assistant to the President and Director of the Office of International Communications and Public Diplomacy at the NSC.

I would like to ask you what your employment was immediately prior to your joining the National Security Council staff in 1982?

A I was in the Central Intelligence Agency.

Q What was your job in the Central Intelligence Agency? What was your title at that time?

A I was a senior staff officer and the Director of Operations.

Q Did your -- how long had you held that job prior to coming to the White House?

A I had been in that position, I guess, approximately four years. Four years.

Q Did your responsibilities in that position involve Central America in any way?

A I had worldwide responsibilities, and they did include some discussion of Central America.

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1 Q During 1981 and 1982, prior to your leaving the  
2 Central Intelligence Agency, did you sit on any interagency  
3 committees which dealt with public diplomacy and public  
4 affairs?

5 A Yes.

6 Q Which committees were those?

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MR. MC GRATH: At this point, I am going to have to object to the open-ended nature of the questions and the fact the previous two organizations discussed have nothing to do with the subject matter which is the mandate of this committee.

MR. OLIVER: Counsel, the subject matter of these areas deals with public affairs of public diplomacy. The agencies that have been mentioned here thus far all deal with foreign affairs and foreign policy. AID is one of the major proponents of foreign policy, and my question is whether or

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1 not they were involved in any of these areas of the com-  
2 mittees. I think that is perfectly relevant. Given the  
3 fact that the Director of the Office of Public Diplomacy  
4 came from AID prior to that position, and so did the President  
5 of the IBC, I think it is perfectly relevant to ask what AID's  
6 involvement was.

7 MR. MC GRATH: If counsel would like to make a con-  
8 nection between various individuals and their organizations  
9 with the committee's work about certain organizations, we  
10 have no objection to that. But the fact we are having open-  
11 ended questions about the entire organization and inter-  
12 agency workings of the Central Intelligence Agency strikes  
13 me as beyond the purview.

14 MR. OLIVER: We are not asking questions like that.  
15 If you don't let me lay the foundation, I can't ask the  
16 questions. We will be here two or three days. I think AID  
17 is perfectly relevant, and I think your objection in that  
18 regard is frivolous.

19 MR. BUCK: Let me state another frivolous objection  
20 for the record. The scope of House Resolution 12 deals with  
21 diversion of funds from sales of arms to Iran and other  
22 narrowly-drafted areas. It does not deal with issues  
23 that are better left to the Foreign Affairs Committee.

24 MR. OLIVER: It also deals with issues on a rather  
25 broad scale.

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1 BY MR. OLIVER:

2 Q Let me try to rephrase the question so we can try  
3 to make some progress. Did anyone from AID sit on any of the  
4 interagency committees that you participated in [REDACTED]  
5 [REDACTED]  
6 [REDACTED]

7 A Not to the best of my knowledge.  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]

13 Q Did Frank Gomez sit on any of those interagency  
14 committees when he was Assistant Secretary of State for  
15 Public Affairs?

16 A Without recourse to my files, I can't give the  
17 timeframe. Frank Gomez sat in on meetings I participated in  
18 while he was still Deputy Assistant Secretary for Political  
19 Affairs. I don't remember his actual timeframe when he was  
20 Deputy Assistant, so I can't pinpoint that. I don't believe,  
21 I do not believe that many of the meetings that I participated  
22 in while still at CIA included Mr. Gomez. I believe meetings  
23 took place with him after.

24 And there were only one or two meetings, and they  
25 deal with how one communicates more effectively U.S. foreign

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1 policy, principally to European audiences, INF and related  
2 matters.

3 Q Did you meet Mr. Gomez while you were still at the  
4 Central Intelligence Agency?

5 A I do not believe so.

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2 Q Do you recall meeting Rich Miller at any time while  
3 you were still the Director of Operation at the CIA?

4 A Absolutely not.

5 Q Is it possible he could have sat in on some of the  
6 interagency meetings?

7 A No. If you would be able to trigger my memory  
8 with names, then I can answer.

9 Q During your service at the Central Intelligence  
10 Agency, did you ever serve in [REDACTED]?

11 A No, sir.

12 Q What was your relationship to William Casey in your  
13 position at the Central Intelligence Agency in 1981 and 1982?

14 A Well, first of all, I had never met Mr. Casey before  
15 he was appointed to his position at DCI. My relationship  
16 simply was as a staff officer with several layers of command  
17 between myself and the Director.

18 Q How many layers?

19 A At least two layers and several additional people  
20 if you consider chiefs and deputies.

21 Q Were you at what would be a senior career level in  
22 terms of your length of service and your grade in the CIA in  
23 1981 and 1982?

24 A Yes.

25 Q Would it be the equivalent of SES in the Department

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1 of State?

2 A Yes.

3 Q Were you the Chief of a Division or staff of some  
4 kind?

5 A Yes.

6 Q What was that position?

7 MR. MC GRATH: Could we go off the record.

8 MR. OLIVER: Sure.

9 (Discussion off the record.)

10 MR. OLIVER: Back on the record. Could you read  
11 back the last question?

12 (Whereupon, the reporter read the pending question.)

13 THE WITNESS: I was a staff officer in [REDACTED]

14 [REDACTED] and my title was Chief of [REDACTED]

15 [REDACTED]  
16 BY MR. OLIVER:

17 Q Who did you report to in that position?

18 A My first command would be the Chief of [REDACTED]

19 [REDACTED] and then through him to the

20 Assistant Director for Operations, and then -- I am sorry --

21 Assistant Deputy Director for Operations, and then the Deputy

22 Director for Operations, and since on to the DDCI and DCI.

23 Q When did you first meet Bill Casey?

24 A Early after he joined CIA, which I believe was some

25 time about April or May, and I am not -- 1981 -- I am not

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1 certain.

2 Q Did you participate in any meetings with Bill Casey  
3 that related to Central America or Nicaragua?

4 A I believe so. Let me say that the way the  
5 responsibilities were divided, specific responsibility for  
6 activities involving Central America would be that of the  
7 Chief of the Latin America Division. My role would have been  
8 supportive. But in answer to your question, I would say  
9 yes, but I can't be specific as to dates.

10 Q In 1981 and 1982, could you give a general estimate  
11 of how many meetings you had with Bill Casey or that you  
12 participated in where Bill Casey was present?

13 A We are talking approximately 15 months, and I have  
14 no recourse to files. I would say probably five or ten.

15 Q What prompted your decision to leave the CIA?

16 A First of all, I had been considered for an assign-  
17 ment in the National Security Council in 1979, during the  
18 Carter Administration, at that time, I and another gentleman.  
19 I did not accept that position, it wasn't political. Don  
20 Gregg, who was the head of the Intelligence Directorate in  
21 the spring of 1982, was asked by Vice President Bush to join  
22 the staff, and in turn Don Gregg was asked by Bill Clark to  
23 suggest a possible candidate to replace him. He suggested  
24 that I might be a good person to talk to.

25 Bill Clark, if I recall, talked to Director Casey,

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1 Casey said I would be a good man, encouraged interviews to  
2 take place. I was interviewed sequentially by John  
3 Poindexter, Bill Clark, Bud McFarlane -- not sequentially,  
4 interviewed by the three, and then took the job.


5 Q Did you discuss the position with Bill Casey?

6 A Yes.

7 Q What can you recall about that discussion?

8 A I said that I had always been interested in assign-  
9 ment to the National Security Council. I recall thinking about  
10 that kind of assignment over the last ten or 15 years as  
11 something that anyone who is in the foreign affairs field  
12 views as almost, you might say, the ultimate assignment one  
13 could have. In other words, it's where you bring together  
14 all the pieces of foreign policy in one place.

15 And I also viewed it as an opportunity to be in a  
16 much broader-based area.



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21 So it was a matter where I thought personally I  
22 could, I would find it very satisfying from a personal point  
23 of view, but, more importantly, I thought that after having  
24 been in the government for, as I testified last time, for 25  
25 or more years, I felt that I had a contribution that I could

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1 make, and I genuinely felt there were things that we needed  
2 to do and could do.

3 Now, this is a preface by saying when the question  
4 came up, I said that I was extremely interested in seeing what  
5 we could do to strengthen the American Government's capability  
6 to participate internationally, openly, and through the open  
7 overt agencies of government, and I would like to see what I  
8 could do to help facilitate that.

9 I was aware that there had been a buildup with  
10 covert action capability, and I was concerned we might become  
11 too dependent on the covert action capabilities as a way to  
12 solve problems and we needed to have a way to provide support  
13 to pluralistic tendencies around the world, to provide means  
14 to more effectively articulate our policies, stronger radios,  
15 stronger public diplomacy efforts, and we needed to energize  
16 the entire community to these goals and objectives.

17 And I made this short speech that I am making to  
18 you to Bud McFarlane and to John Poindexter and to Bill Clark  
19 and to Bill Casey. I said that I am going down there, but I  
20 will be very candid, I would like to take on something which  
21 I think needs to be done. And Bill Clark said, "Fine, I think  
22 what you are proposing is very important, the job that is  
23 open right now is an intelligence job, start there, but you  
24 can work on this other activity as well."

25 His purpose -- this is not surprising as far as

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1 NSC officers are concerned because the NSC officers, again, as  
2 I noted before, frequently were involved in a variety of  
3 different activities. The surprising aspect of it is perhaps  
4 to have some of these activities handled out of the intelli-  
5 gence group, but it wasn't viewed as that, I wasn't viewed  
6 as an intelligence group person when I was taking on those  
7 aspects; I was viewed as NSC staff also.

8 But since it could be perceived from the public as  
9 a conflict of interest between these two, as it over time  
10 began to develop and a lot of energetic work was being done  
11 there, Bill Casey reorganized, as we discussed last time, and  
12 set up a separate record which I headed, and I resigned from  
13 CIA at that time so there would be no question whatsoever of  
14 any contamination of this. Because even though the CIA  
15 officer could do these things as a NSC officer and not have  
16 it linked back to CIA, I was concerned there not be contamina-  
17 tion to these excellent projects which were starting. So I  
18 resigned.

19 Q When was that?

20 A That was -- I should know this -- spring, '83.  
21 I think it's April 1, something to that effect. And then was  
22 hired as a NSC staff officer.

23 Q Did you retire from CIA?

24 A I actually retired, because I had 32 -- we're  
25 talking '82 -- I had 30 years of government service, and I  
was old enough.

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1 Q You went through the formal retirement?

2 A Yes. I officially retired from CIA, and I was a re-  
3 hired annuitant is the actual legal terminology with the NSC.

4 Q The CIA has a retirement policy that allows people  
5 to retire at an earlier age than normal government service,  
6 isn't that correct?

7 A Well, it does, that is correct.

8 Q I think, for the record, we ought to show that,  
9 because you were, I think, age 52 at that time. So, just for  
10 the record, I think it ought to be clarified the CIA allows  
11 people to retire at an early age after a certain period of  
12 time of service. Isn't that correct?

13 A Yes. They also take into consideration service  
14 that you had with other departments and agencies to build  
15 to that point.

16 Q So you were able to retire with your full annuity  
17 at that point, is that correct?

18 A Correct. But that's not -- I might just point out,  
19 for the record, that is not different than any other Foreign  
20 Service officer. If you had worked in the United States  
21 Government, whether it is with one agency or another or several  
22 agencies, they require a varied track record for overseas  
23 service and so on.

24 Q But prior to the spring of 1983, your position at  
25 the NSC was that of head of the Intelligence Directorate,

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1 and in that capacity, you would have served as the liaison  
2 of the CIA, is that correct?

3 A Yes.

4 Q With all the other elements of the intelligence  
5 community, is that also correct?

6 A Correct.

7 Q You testified earlier that you had a, in 1983, a  
8 once-a-week meeting with Bill Clark and Bill Casey, is that  
9 correct?

10 A Correct.

11 Q Was public diplomacy discussed at those meetings  
12 with Bill Casey and Bill Clark?

13 A To the best of my recollection, no. But I would  
14 say, without recourse to the records, that in nine months of  
15 discussion at these weekly meetings, I am sure there was  
16 discussion about the concern that Director Casey and National  
17 Security Advisor Clark had dealing with our ability to sus-  
18 tain our foreign policy in key areas of the world, and a  
19 specific point which was an issue of great tension was the  
20 question of the deployment of the INF, and I cannot -- without  
21 recourse to my files, I can only speculate that we probably  
22 did discuss issues concerning public opinion, public  
23 attitudes, how to generate more support for our policies  
24 concerning issues like INF and probably Central America,  
25 because it certainly was a major issue at that time.

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1 We may, in that context, have mentioned to Bill Casey  
2 that progress we were making in putting together an overt  
3 public diplomacy effort which he would be interested in as a  
4 Cabinet member and as a senior National Security Advisor to  
5 the President. But I don't recall that with any specificity,  
6 but I wanted to make the point it probably was discussed in  
7 some fashion.

8 I recall some of the agenda items, I mean, as being --  
9 frequently we would be discussing some of the most difficult  
10 issues which were coming up as a result of the recent  
11 intelligence, in other words, incident A, event B, terrorist  
12 attack C and what could be done about these various things.  
13 There were a lot of other questions that dealt with the  
14 nitty-gritty of the communication management question,  
15 not communication, community, intelligence community management  
16 questions.

17 Q In your earlier testimony, in answer to one of the  
18 questions, you indicated it was in July of 1983 that there  
19 was a reorganization of the National Security Council. Does  
20 that refresh your memory as to when you resigned from CIA?

21 A I said July, and I looked at my Presidential Com-  
22 mission this morning, and it says 1 June, so to correct it,  
23 as far as -- without going back to my files, I think the  
24 Presidential Commissions were given coincidentally with the  
25 reorganization, so we should advance the date of the

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1 reorganization a bit.

2 My recollection of the resignation/retirement is  
3 April --

4 MR. MC GRATH: Counsel, we obviously can go back  
5 and check the record and verify that.

6 THE WITNESS: I think it's about April 1, April 5.  
7 I remember taking a three-day break so I could be hired as  
8 an annuitant, and went off to the beach.

9 BY MR. OLIVER:

10 Q ,April to 1 June is more than three days.

11 A Yes. I can term --

12 Q I am trying to determine when this transition took  
13 place.

14 In your earlier testimony, you said July, 1983. I  
15 realize you didn't have your records. You looked at your  
16 Presidential Commission --

17 A The Commission was 1 June. The recollection I have  
18 and this can be made available for the record, my recollection  
19 now is April for the resignation/retirement. And I could look  
20 it up in my personnel records.

21 MR. MC GRATH: If I might interject, it is over  
22 four years ago, we clearly have the information available, we  
23 can go back and check it. I don't think it is worth belabor-  
24 ing the point whether he remembers exactly when he retired or  
25 resigned.

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1 MR. OLIVER: I think it is important, Counsel,  
2 because it was during the period between April and June that  
3 Mr. Raymond was deeply involved in the establishment of LPD  
4 in the Department of State and the employment of Otto Reich.  
5 I believe in earlier testimony he said July of 1983 -- in  
6 response to a question as to whether or not he was still  
7 Senior Director of Intelligence at the White House when he  
8 did this, I believe his answer was in the affirmative. I am  
9 trying to clarify that for the record; and if you could sup-  
10 ply us with that information, that would clarify the record  
11 if his memory is not exact.

12 THE WITNESS: Let me say this. The best I can  
13 recall, we will clarify it for the record, but I am quite  
14 certain this is accurate, the retirement date is April, and  
15 April 20, somewhere between April 10 or 20, sits in my mind.  
16 That means I retired actually before I was given the new  
17 commission. I knew the reorganization was going to take  
18 place. This was not a -- the commission date and reorganiza-  
19 tion date can be confirmed, I mean the commission date I can  
20 confirm with you; the reorganization date can be confirmed.  
21 It's probably in some records you have already got.

22 My retirement date you can confirm, my recollection  
23 now, on the basis of just looking at a few notes that I have,  
24 based on personal desk calendars at home, was April for  
25 retirement.

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1 BY MR. OLIVER:

2 Q Did you leave your job as Senior Director of  
3 Intelligence at NSC in April of 1983?

4 Could we go off the record.

5 (Discussion off the record.)

6 MR. OLIVER: Let's go back on the record; in order to  
7 clarify the testimony, we asked Mr. Raymond and his counsel  
8 to check on the exact dates of retirement <sup>and</sup> the assignments  
9 we have been discussing. They have now done that. Perhaps  
10 we could ask you to clarify the record.

11 MR. MC GRATH: We informally contacted some of the  
12 current administrative officers at the National Security  
13 Council staff, and Mr. Raymond has been provided with some  
14 dates which would appear to be an accurate reflection of when  
15 he started officially at the NSC.

16 THE WITNESS: My official date of employment as a  
17 National Security salaried officer was 1 May, 1983. I retired  
18 <sup>three</sup> ~~three~~ working days before that, which I calculate to be either  
19 April 25 or April 26.

20 And the other question -- because of some adjust-  
21 ments in annual leave balances, which are rather complex, I  
22 was hired initially as a consultant on 1 May '83 and then came  
23 full-time staff on June 3, 1983, a position I remained in  
24 until 1987.

25 Then, the other question that you asked me,

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1 Mr. Oliver, concerned the date of the reorganization of the  
2 National Security Council and the creation of the Senior  
3 Directorate for Information and Communications, and that date  
4 is June 3, 1983.

5 BY MR. OLIVER:

6 Q When you assumed the job as Senior Director for  
7 Communications, did you move from one office to another and  
8 create a new staff for this position?

9 A Yes.

10 Q And who were your subordinates in your new posi-  
11 tion?

12 MR. MC GRATH: I believe this information has  
13 already been asked and answered in the previous deposition.

14 MR. OLIVER: The previous deposition has some con-  
15 fusion of dates, and we can go back and look at it.

16 THE WITNESS: The previous deposition referred to  
17 a different date, but the facts remain the same. *Cym* Harry Lord  
18 initially was in my office, he left shortly after that.  
19 Steve Steiner replaced him, and we worked as a team.

20 BY MR. OLIVER:

21 Q What was your involvement with the Intelligence  
22 Directorate after you assumed your new position as Senior  
23 Director for Communications?

24 A Very limited. My responsibilities now were exactly  
25 as they were described, and I was involved in trying to

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1 manage the public diplomacy community.

2 MR. MC GRATH: I might interject at this moment, it  
3 is my understanding and agreement prior to this we were not  
4 going to question Mr. Raymond on material that was previously  
5 covered in his earlier deposition. His responsibilities in  
6 the Intelligence Directorate were gone into at length at that  
7 time.

8 MR. OLIVER: I don't believe this question was asked  
9 during the earlier deposition, and there is no agreement  
10 some of the areas that we discussed earlier would not be re-  
11 visited in light of this testimony today. I would like to  
12 determine whether or not Mr. Raymond continued to work in the  
13 intelligence area after he assumed his new position. That  
14 was the reason for the question.

15 THE WITNESS: Well, clearly all of us worked to-  
16 gether on a number of different issues, and there were areas  
17 where I would remain in touch, and there's always a transi-  
18 tion period. So it would be a period of time when you would  
19 be moving yourselves out of any responsibilities you had and  
20 turning them over to other people, in some cases because the  
21 NSC is so limited, you might continue some contacts for a  
22 time.

23 I would have to be, I would be prepared to respond  
24 to anything specific. It would be hard to answer it in the  
25 abstract.

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1 BY MR. OLIVER:

2 Q Well, did you continue to carry out any of your  
3 previous functions as Director of the Intelligence Group  
4 at the NSC after you assumed your job as Director, Senior  
5 Director for Communications?

6 A I would answer that negatively in the sense of  
7 any functions. There were areas that I had been interested  
8 in while I was in the Intelligence Group that I remained  
9 interested in in the new group, but the functions of the  
10 Intelligence Group, in terms of the management of the  
11 intelligence community so far as NSC has any responsibility  
12 there, were done by the officers of the Intelligence Group  
13 and not by me.

14 I might point out they were very anxious to see to  
15 it they exercised their responsibilities.

16 Q After you left your position as Senior Director of  
17 Intelligence, did you draft findings for covert action for the  
18 President?

19 A I don't believe that I did. I am aware that there  
20 were, there was discussion during the winter of '82 and  
21 spring of '83 concerning Central America, which I presume is  
22 of interest. When I left that area, though, I was no longer  
23 the principal officer in any of that. I may have been asked  
24 to -- my counsel may have been sought. I don't believe that  
25 I drafted a finding. But --

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1 MR. OLIVER: I would like to ask the reporter to  
2 mark this as Raymond Exhibit Number 18 and ask the witness to  
3 examine that document.

4 (Exhibit No. 18 was marked for identification.)

5 MR. MC GRATH: Was this provided to Mr. Raymond  
6 during the previous deposition?

7 MR. OLIVER: I think so. I don't think I have it  
8 in unclassified form. Let the record show this is a memorandum  
9 from William P. Clark to Walter Raymond, dated September 12,  
10 1983, and the committee identification number is N6828,  
11 and it was not discussed in the previous deposition.

12 For the record, this is a memorandum of a SIG  
13 meeting on Central America on September 9 and discusses  
14 legislative strategy and a new Presidential finding. Attached  
15 at Tab 1 is a draft of Presidential Finding, and at Tab 2,  
16 an amendment to the Zablocki-Boland Amendment; and Tab 3 is  
17 Legislative Strategy.

18 BY MR. OLIVER:

19 Q Mr. Raymond, is that your signature on that docu-  
20 ment?

21 A I think so.

22 Q Do you recall drafting this document?

23 A Yes. I recall participating in a variety of  
24 meetings off and on during 1983. I -- yes, I recall the  
25 general discussion. I mean, I can't, I don't recall

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1 specifying a 9 September meeting. I might say that the issue,  
2 as I said previously, had been one which has been with us  
3 for a number of months. The principal officer working this  
4 was the senior Latin America, namely, NSC staff officer  
5 Al Sapia-Bosch.

6 I had been asked by Judge Clark to help out a bit on  
7 some of this process because of my previous assignment. This  
8 is simply summarizing a meeting two of us attended chaired  
9 by Eagleburger.

10 Q When you say two of us attended, who was the  
11 other?

12 A I made the assumption Al Sapia-Bosch was there. I  
13 believe that's the case. I don't know of any meeting I at-  
14 tended he was not present.

15 Q It is indicated copies of this memorandum went to  
16 Mr. Sapia-Bosch and Ollie North, Chris Lehman and Ken  
17 deGraffenreid.

18 A Right.

19 Q Did you draft this proposed Presidential Finding?

20 A I participated in it. I think the original draft  
21 Findings almost always came from CIA, sent down, amendments  
22 were made in them by NSC staff, by State, by Defense. This  
23 probably reflects inputs that we had received from people in  
24 the community in an effort to try to put it into shape,  
25 the group.

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1           As you notice in the first paragraph, small group  
2 included, so, in other words, I was part of a process, but  
3 I was certainly not the principal drafter.

4           Q     Who was the principal drafter?

5           A     I don't know. I think, as I said before, the  
6 normal process is for -- CIA and central community. I remember  
7 a discussion, not this one, took place in the Department of  
8 State at the Assistant Secretary or Deputy Assistant Secretary  
9 level. Possibly Greg Johnstone, who was the Deputy Assistant  
10 Secretary with Central America responsibilities.

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28

LYDA 1 Q Why is this memorandum to Bill Clark coming from  
CAS 2 you as Director of Communications with copies to the  
10:40 a.m. 3 Intelligence Director?

4 A If I had known this discussion had been taking  
5 place, it would have been designed by somebody other  
6 than myself. It was simply a convenience. We were all NSC  
7 staff officers at the time. I was one at the meeting. Other  
8 people had responsibilities for Judge Clark. Obviously,  
9 as you know, Ken de Graffenreid had taken over intelligence  
10 and this was a transition time. The principal staff officer  
11 was the Latin America staff officer.

12 Q Why didn't this memo come from Al Sapia-Bosch as  
13 an intelligence record?

14 A If you had the files, you would probably find  
15 many memos were written on adjacent dates by Al Sapia-Bosch.  
16 He was very busy in writing other things for the Judge.

17 Q You indicated earlier that you thought it was  
18 important that you be separated from the CIA in your new  
19 position so there would not be any position of conflict,  
20 yet here it is nearly three-and-a-half months after you  
21 assumed your new position and four-and-a-half months after  
22 you retired from the CIA and you are still sending  
23 memorandums of draft presidential findings.

24 Were you still participating in activities of the  
25 intelligence committee after you assumed your position as

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1 Director of Communications?

2 A To the best of my recollection, you may have  
3 some other documents, but it was only the Central American  
4 issue. It was one going on for months and months. If one  
5 goes back to the legislative record all through the months  
6 of 1983, this issue had been debated and wrangled about. I,  
7 frankly, was anxious to disengage on all sides from the  
8 intelligence part of it. This is one that I was trying to  
9 facilitate the transition, but as you can see, I had not  
10 totally extracted myself from that responsibility.

11 Judge Clark was trying to take advantage in the  
12 positive sense of the personnel he had available to  
13 try to get the job done. He wanted me to hang in on this  
14 until we got the legislative issue resolved and then I could  
15 get away from it.

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Q Was this presidential finding ever signed?

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A I believe so, but I am not certain of where we stand on that.

5

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7

8

Q The memorandum also discusses legislative strategy in the House and the Senate. Was that one of your responsibilities as Director of Communication to plan or recommend legislative strategy?

9

10

11

A Not explicitly stated. I think you are dealing here in this particular situation because it has the covert action aspect to it.

12

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18

You are dealing with my disengagement from the intelligence group. In the case of Outreach, as we discussed in the unclassified briefing earlier in the month, that there were meetings from time to time that did take place discussing Congress, discussing Central America and part of our concern was of an informational quality, to get the information out.

19

20

21

22

This was an issue that we did have responsibility to exercise. So I think that to some degree informing foreign and domestic audiences of foreign affairs developments is important and this would include Congress.

23

24

25

Q Did you draft the amendment that is attached to this exhibit 2, H.R. 2966, dated 9-1-83?

A I don't believe so.

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1 Q There is some handwriting on that page next to the  
2 title line which says, "Zablocki-Boland". Is that your  
3 handwriting?

4 A That is very hard to see on mine. It may be,  
5 but if it is, it is an explanatory statement to explain  
6 what 296 was. It is the so-called Zablocki-Boland  
7 Amendment. That doesn't mean that I had any drafting  
8 responsibility for that language.

9 It simply means I was clarifying in the package  
10 what that particular amendment referred to.

11 Q Do you know who drafted the amendment?

12 A I do not. It said this whole business is drafted  
13 by committee. It could have been the original language  
14 prepared by CIA or it could have been adjustments recommended  
15 by State or NSC.

16 Q In examining a number of NSC documents before the  
17 committee, there are in many instances more than one  
18 author's name on a memorandum and there are various  
19 clearances, but on this one there is only your name and  
20 there are no clearances.

21 There seems to be copies to all of the people  
22 who might have otherwise have been co-authors or clearances.  
23 That is why I am asking if anybody else had anything to do  
24 with drafting this.

25 Q This is not an action memorandum. It is an

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1 information memorandum written by one of the participants  
2 working on the issue bringing Bill Clark up-to-date on what  
3 was going on.

4 I was the guy who sent the information memo for  
5 it. There is probably in NSC records a series of related  
6 data which sets forth the action memorandum recommendations.  
7 This is a compilation of documents to bring him up-to-date  
8 on what the state of play was. It does not say that I am  
9 the author of one or any of these documents.

10 It just reflects that I am the author of the  
11 transmittal memo and the summary memo of the SIG meeting.

12 Q Is it your testimony that you did not draft the  
13 attachments to the memorandum?

14 A Which one?

15 Q There is two we have not discussed yet.

16 A My testimony is that as stated in the memo that I  
17 was one of several people that discussed the draft ~~f~~inding and  
18 made small or large inputs to the draft ~~f~~inding, which to  
19 the best of my recollection was in the first instance  
20 drafted at CIA and subsequently rather significantly modified  
21 by various officers in NSC, State and Defense.

22 This may be the final. It may be the semi-final.  
23 It may even be an earlier version of what finally emerged  
24 from the interagency process. If I was responsible for  
25 drafting this, it would be by the insertion of a word here or

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1 there. It is not as the drafter of key paragraphs because I  
2 was not the person drafting the text. I was making a  
3 contribution to the drafting of the text provided to us.

4 Q On the page following the amendment, there is a  
5 page called "legislative strategy". Did you draft that  
6 legislative strategy paper?

7 A No.

8 Q Do you know who did?

9 A No, I don't. Really. I suspect it came from  
10 one of the three legislative liaison officers in State,  
11 NSC or the White House, but I do not know. It is somebody  
12 who obviously is rather actively involved in assessing mood,  
13 attitude and positions on the Hill as reflected in the vote  
14 analysis.

15 Q Were you involved in assessing moods and shifts  
16 and swings on Capitol Hill?

17 A No.

18 Q What was your involvement in legislative strategy in  
19 Central America?

20 A Well, as I stated, I was involved in some of  
21 these discussions leading up to it, up to the submission of  
22 the Finding which, as I say, I cannot state categorically  
23 was submitted but I assume it was. I was not involved in  
24 any direct dealings, although I may have some time in 1983 --  
25 I may have briefed a few Congressmen.

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1 I can't recall whether it was before or after my  
2 departure from the intelligence group. I think my role  
3 would have been supplemental in terms of the Hill. I was  
4 listening to everybody talk and coming up with suggestions  
5 and ideas like others were.

6 Q Why would a memorandum concerning legislative  
7 strategy and a Presidential finding from the CIA come through  
8 you to the Director and not from the Director of Intelligence  
9 or the Legislative Director of the NSC?

10 A Are you referring specifically to the summary of  
11 the SIG meeting?

12 Q Yes.

13 A As I stated before, I think what you had was a  
14 group of people who were discussing the substance and the  
15 process that had been meeting for almost a year. It would  
16 have been more appropriate in retrospect when the organiza-  
17 tion took place that people who were working the problem  
18 but had now been re-assigned stop working the problem. But  
19 in fact because of the smallness of staff and the turnover  
20 of people, for a brief period of time I remained involved in  
21 this process which to the best of my recollection terminated  
22 when this process ran its course.

23 Q When was that?

24 A I am not sure. It seems to me it is right about  
25 this time now, fall of 1983. But, again, the principal

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1 actors and the ones discussing the real substance, both  
2 from the standpoint of the Hill, such as legislative liaison  
3 people from the three various components, and the people  
4 who were principally making the decisions were the  
5 Latin American people.

6 I was another voice in this mix during this  
7 transition period.

8 Q What other activities that were not involved with  
9 international communications besides legislative strategy  
10 and presidential findings for CIA activities were you  
11 involved in during this transitional period?

12 A I am not sure I understand the question. Do you  
13 mean carry-over from my previous job?

14 Q I am trying to determine what other activities you  
15 were involved in. Was legislative strategy part of your  
16 previous job?

17 A No, and legislative strategy was not even my  
18 job there. What you have here is not as tight and orderly  
19 a structure as one would like with everything  
20 divided in neat lines. What happened, an officer got  
21 transferred from group A to group B and there was an  
22 ongoing, complicated issue which was still front and center  
23 on the plate and I was asked to continue to be an actor in  
24 that group. I was not the principle in the group. Despite the  
25 document, which suggests that the principal person was

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1 writing to Clark, the fact is I was one of several who were  
2 writing memorandum and I was asked to put this together. I  
3 don't want to overplay what my role was here in any aspect  
4 of this.

5 I am not aware of any intelligence functions that  
6 I remained involved in after I shifted. I could respond  
7 to something specific, but essentially once we could get  
8 this legacy off the plate, I could get on with my  
9 other business.

10 Q When did you get that legacy off the plate?

11 A I don't know. Obviously it was not over by  
12 9 September. I don't recall, frankly, when this thing was  
13 resolved, but I sense by thinking through other things I  
14 may have been doing at that time, I think fall. I don't  
15 recall much after September.

16 Q The reason I asked the question is that I think  
17 that probably the legislative aspects of Zablocki-Boland and  
18 Central America are still on the plate.

19 A That is true, but after this round we are talking  
20 about, do we have a finding or don't we have a finding.  
21 I think once that issue was resolved, I was able to put it  
22 past me.

23 De Graffenreid staffed his office and was able  
24 to take the full responsibility and I was out of it.

25 Q I would like to ask the reporter to mark this

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1 as Raymond Exhibit 19.

2 (Raymond Exhibit 19 was marked for identification.)

3 BY MR. OLIVER:

4 Q I would like to note that this is a  
5 January 25, 1983 memorandum from Scott Thompson to the  
6 Director. I assume that was the Director of USIA since  
7 that is where Scott Thompson was employed at the time.  
8 The subject is Walt Raymond's memo to Judge Clark.

9 I will ask you if you have ever seen that memorandum  
10 before.

11 A No, not the cover letter.

12 Q Were you aware of Scott Thompson's memorandum to  
13 the Director regarding your memorandum to Judge Clark?

14 A No. I was not. It would be consistent with his  
15 responsibilities as the Associate Director of Programs  
16 to so communicate to his director.

17 Q Is this the same Scott Thompson who chaired the  
18 interagency working group that you participated in while  
19 you were [REDACTED] at CIA?

20 A Yes.

21 Q Did you provide him with a copy of your  
22 memorandum to Judge Clark?

23 A I will have to take a minute to read the memoran-  
24 dum to Judge Clark.

25 I, frankly, do not recall four-and-a-half years ago

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1 whether I gave a copy to Scott Thompson or not. If I did,  
2 it was to facilitate his preparation of his principle at  
3 the meeting.

4 Q Did you draft the memorandum that is attached to  
5 Scott Thompson's memo?

6 A I believe so.

7 Q Was this drafted for the first SPG meeting as it  
8 states in the first line?

9 A I believe so.

10 Q When did that first SPG meeting occur?

11 A I would have to check the records. It implies  
12 from Scott's memo that it would take place on the 21st of  
13 January. I don't know for an absolute fact. Sometimes  
14 these meetings get scheduled and then get shifted two or  
15 three days. I would suspect that it was very close to the  
16 date.

17 Q In number one of that memorandum you say, "State  
18 provides central focus for greater commitment of resources  
19 and greater concentration of effort in our foreign policies.  
20 Call it political action, if you will."

21 What did you mean by "political action"?

22 A Political action represents a variety of effort to  
23 be involved in strengthening, projecting one's own foreign  
24 policy. It could be programs that involve support to  
25 various institutions. It could be the development of networks

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1 and personal relationships with key people.

2 I think the more appropriate rubric for the SPG  
3 and one which we have used is public diplomacy and  
4 democracy-building. I think the word "political action" is  
5 subject to misinterpretation and, therefore, we chose not to  
6 use it lest everybody start to view it as something like a  
7 packet group which it really was not.

8 Q On the last paragraph of that page, you indicate  
9 a need to supplement Federal programs and have some quasi-  
10 public/private effort with private funds. When you refer to  
11 nascent quasi-public/private?

12 A That is a tongue-twister. Basically I am referring  
13 to programs that are supported by the Federal Government in  
14 the sense of funding, but generally go to private boards.  
15 Therefore, they maintain their integrity in the private  
16 dimensions to their work.

17 Specific examples, as you know, include the  
18 National Endowment for Democracy, the Free Trade Institute,  
19 the Center for Private Enterprise and other such  
20 organizations. The point that is being made here is not  
21 related to any discussions with contra funding. The point  
22 being made here is that our society to project, our  
23 society to support pluralistic elements internationally,  
24 to help project the dialogue, cannot be exclusively funded  
25 by the Federal Government in the out-years. It is consistent

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1 with the Reagan Administration philosophy and with reality.  
2 There are not Federal funds available to provide this kind  
3 of support for all the programs that could constructively be  
4 done in the world.

5 I was making the point that sooner or later we  
6 have to find some way to bring this issue home to the private  
7 sector that they have, in fact, a responsibility to help.  
8 That is what was intended by that particular paragraph.

9 Q You indicated in the next sentence, "Our letter  
10 to the President will put together private donors for a  
11 quiet chat with the President."

12 Was that to have the President raise money?

13 A No. That is the meeting that raised some publicity.  
14 That meeting did take place and was focused on the basic  
15 issue that I just identified, namely, that we can only do  
16 so much on the Federal side and it is important for the  
17 private sector to recognize the need to be more involved.

18 Q Did the President ask these people to raise funds  
19 for some of these projects?

20 A No.

21 Q Did he indicate to them that there was a need for  
22 private funds to be raised?

23 A I believe he identified the fact, as best that I  
24 can recall, that there were some very complicated issues  
25 in the world and he particularly focused on the question of

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1 Europe and the constancy of our relations with the NATO  
2 alliance.

3 George Gallop<sup>y</sup> was present and stated that there  
4 were, in fact, serious difficulties in our dialogue between  
5 the United States and Europe and we discussed this and we  
6 made the point that, frankly, we cannot, as the U.S.  
7 Government, just go out there and do it all. Hopefully,  
8 there will be some kind of a private expression.

9 But he did not directly approach them for funds.  
10 He posed the issue.

11 Q Did you attend the meeting?

12 A I did.

13 Q Who else was there?

14 A I can recall some. I can't recall all. My  
15 recollection is, from the Administration, and this material  
16 is available someplace, my recollection is that from the  
17 Administration it was myself, Charles Wick, Bill Clark,  
18 Peter Daly and I believe Gerald Hellman. I don't remember  
19 whether Scott Thompson was or was not there. Possibly there  
20 was an aid to Wick present, a junior officer.

21 From the outside [REDACTED]  
22 [REDACTED] and their inclusion was as much as anything else  
23 to discuss the issue of European public opinion. As I  
24 mentioned before, we had Gallop. Other people who attend  
25 were: Joaquin Maitre -- Joaquin Maitre was there

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1     representing Springer. So we had media.

2             In addition, we had John Kluge, who was with  
3     Metromedia, Carl Lindner, l-i-n-d-n-e-r, and I think  
4     Robert Evans. I believe that is it.

5             Q     These people were described in your memorandum as  
6     potential donors. Is that what they were?

7             A     That may be a poor choice of words. Obviously,  
8     what we hoped was to find a way to mobilize the private  
9     sector. That is not the way the meeting was developed  
10    with the President.

11            The President was trying to encourage the private  
12    sector to be more involved. One of the involvements would  
13    be financial, but he was talking about our problems in  
14    Europe.

15            Q     You indicated in the last sentence that you would  
16    ask the International Political Committee to coordinate  
17    a list of items which needed private funding for use at  
18    this meeting.

19            Did they provide a list of items for that meeting?

20            A     I have read this with some interest after not having  
21    seen it for four years. I do not recall a list that was  
22    provided. I do recall a discussion of the needs. In  
23    almost every case the focus was on Europe and it was on the  
24    fact that in the fifties and sixties, whether it had been  
25    major foundation support for such things as the Atlantic

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1 Institute in Paris and for that matter, Encounter Magazine,  
 2 and other structures in Europe that today organizations  
 3 like Encounter Magazine, which is a significant opinion  
 4 molder, had to proceed around hat-in-hand, cup-in-hand,  
 5 to try to meet its annual budget.

6 We were posing the issues and we said there is a  
 7 lot of networking structures that could help support mutual  
 8 goals on both sides of the Atlantic. There was, as best I  
 9 can recall, a list. I don't know if it was ever written,  
 10 but it was orally discussed in the context of European public  
 11 opinion.

12 Q If you look at the next page in the fourth  
 13 paragraph on that page, it indicates programs such as  
 14 Central America, which is mentioned first, then the European  
 15 Strategic debate, Yellow Rain, and even Afghanistan. Further  
 16 down the page you refer to Secretary Shultz putting together  
 17 the international committee.

18 There is two issues, European security and Central  
 19 America. Was funding for <sup>Projects</sup> ~~projects~~ or the need for funding  
 20 for projects <sup>Related</sup> ~~related~~ to Central America discussed at that  
 21 meeting with the President?

22 A I recall no discussion in the meeting with the  
 23 President other than the general concern that we have about  
 24 our general alliance and community and our need to generate  
 25 support for our policies in Western Europe.

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1           Q     Are you aware of any funds that were raised for  
2     any of the projects that are contemplated in this memorandum  
3     at a subsequent time by any of the participants in that  
4     meeting?

5           A     I am aware of the fact that as a result of  
6     expressions of concerns by various Administration spokesmen  
7     that a few projects were supported. Again, my recollection  
8     is that they were all on Europe. We discussed this  
9     marginally at the last meeting. I think there is a  
10    citation in one of the memorandum which identifies a program  
11    for Freedom House, one for the Dutch Atlantic Community.  
12    There may be one more. The only programs that were  
13    supported that I know of were in the context of the U.S.-  
14    debate.

15          Q     Was part of the purpose of this to influence  
16    European public opinion?

17          A     Part of the purpose of this was to -- well, I would  
18    say I guess I would call that bottom line. That is the  
19    bottom line of a lot of U.S. policies to try to influence  
20    targetted areas, other countries. I would say that we were  
21    concerned that Greens, the Peaceniks and others were  
22    being heard and another side was not being heard and that  
23    we could state our positions over and over again, but  
24    we would like to see the Europeans speak out for themselves.  
25    To some degree, that involved helping provide support. That

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1 was one of the ideas that was behind the Freedom House  
2 program.

3 I might say I think that subsequently is being  
4 funded by the National Endowment but the idea was to try to  
5 find a way to network good ideas throughout the United  
6 States, Western Europe and now Central America. There were  
7 lead items, good materials, to re-produce them and make them  
8 available. So people who were speaking out for perhaps a  
9 view which might not have been as popular in certain parts of  
10 Western Europe would know they were doing it. We were  
11 hoping to try to open these things up, openly, overtly.

12 Q Were many of these materials and articles related to  
13 U.S. policy in Central America?

14 A Well, we are in two stages now. The general  
15 discussion that I recall, the meeting with the President,  
16 was general, but in subsequent meetings I think it was to try  
17 to articulate views.

18 Central America was not singled out. IMF and  
19 Central America seemed to be the two issues generating the  
20 greatest degree of controversy so they were the ones we were  
21 most concerned about at that time.

22 Q My question was related to the subject matter of  
23 these efforts to influence public opinion. Mentioned  
24 here is Central America, the European strategic debate,  
25 Yellow Rain, and Afghanistan.

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1           Was the effort to influence public opinion  
2 worldwide on all of these issues in terms of trying to  
3 generate greater support for American foreign policy?

4           A     I think the answer is yes.

5           Q     So these efforts to encourage private funding for  
6 various initiatives involved other issues such as Afghanistan,  
7 Central America and Yellow Rain. Would that be a fair  
8 statement?

9           A     I think that is drawing a conclusion that was not  
10 there. In other words, I think what we were interested in  
11 in the first instances, we were operating on several levels.  
12 In the first instance, there was a broad theatrical problem.  
13 That problem, I might point out, is here today in September  
14 1987. We are facing a vastly under-funded foreign affairs  
15 budget to the point where the Secretary of State is talking  
16 about closing missions all around the world.

17               We still need to change the foundation dollar  
18 from 25 cents on a dollar international or four cents on the  
19 dollar, we need to reverse it. So the issue is there.

20               Some of these discussions are generally at a  
21 broad strategic level. I know you want me to get down to  
22 tactical.

23           Q     I don't know about that. I am trying to  
24 establish the relevancy of this to our deposition so that  
25 Mr. Buck doesn't get upset.

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1           A    I am not sure there was a direct relevance,  
2 because what we were doing in the fundraising was expressing  
3 our concerns about the lack of private involvement, it was  
4 really largely cast in terms of our alliance. This discussion  
5 in the sub-tic<sup>k</sup> under paragraph 3 identified several of the  
6 very critical polical programs that we were concerned about.  
7 Clearly they were issues that were going to be covered by  
8 one or more of the committees. Central America and  
9 European Strategic Debate, as we both know, were  
10 such a major issue that we considered asking the  
11 special coordinator to take charge, Peter Daly, Dick Stone  
12 in one case, and later, Otto Reich in the other case.

13               The others, Yellow Rain, Afghanistan, were handled  
14 by existing committees because they were issues which did not  
15 seem to have the same kinds of labor intensive work involved  
16 in the public diplomacy field.

17           Q    Did any of the individuals that were involved in  
18 this meeting with the President which we have been  
19 talking about ever raise or donate funds for any projects  
20 designed to influence European public opinion on U.S. policy  
21 in Central America?

22           A    To the best of my knowledge, it was never that  
23 specific.

24           Q    Did it include influencing public opinion on  
25

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1 U.S. policy in Central America?

2 A I don't know. We had talked in general terms  
3 and what they did subsequently I was not directly involved  
4 in. For all I know, one or more of those people conceivably  
5 could be doing something now.

6 Q Are you aware if they did raise funds for a project  
7 related to <sup>INFLUENCING</sup> ~~influencing~~ public opinion related to Central  
8 America?

9 A I am not aware of anything specific. The most  
10 specific information I have is the one included in that  
11 report.

12 Q Were you aware of any funds that were donated to  
13 an organization in Europe which was associated with an  
14 individual named Brian Crozier designed to influence  
15 European public opinion of U.S. policy in Nicaragua?

16 A What time frame?

17 Q 1985 or 1986.

18 A No. I am not. I am aware of the fact that  
19 several of these gentlemen are friends of Brian Crozier  
20 but that does not mean they provided funding. I am not aware  
21 of any direct or indirect funding to Crozier at that time.

22 Q Were you aware of Brian Crozier's activities  
23 designed to influence public opinion in Europe on U.S.  
24 Central American policy?

25 A The short answer and narrow answer is no. The

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1 longer answer is that Brian Crozer is a publicist who has a  
2 very energetic, shall we say, newsletter which he  
3 produces and which is extremely outspoken on many subjects,  
4 including Central America. He does that on his own, to the  
5 best of my knowledge.

6 So, certainly, yes, he was an aggressive spokesman  
7 on these issues but I don't think it necessarily leads to  
8 the next stage that this was a result of any admonition  
9 on my part.

10 I would point out that Brian Crozer did know the  
11 President of the United States. You will probably find  
12 records of his having visited the White House.

13 But other than a friendly exchange of views, and I  
14 did not participate in those meetings, I don't believe  
15 anything more was discussed.

16 Q How did you know that he knew the President of the  
17 United States?

18 A Because he -- well, that is a matter of public  
19 record. He contacted Bill Clark once shortly after the  
20 President came in to office. He said he met the  
21 President before he became President, once in California,  
22 and he would appreciate an opportunity to pay his respects.  
23 Clark invited him in.

24 Q How many occasions did he visit the White House?

25 A I don't know, maybe twice. The president  
has, as we all know, met a number of Western press. This is

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1 not exceptional.

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12 Q Do you know whether or not Brian Crozier knew  
13 Arturo Cruz?

14 A I do not.

15 Q Do you know whether or not Brian Crozier received  
16 funds from the Heritage Foundation?

17 A I do not.

18 MR. McGRATH: Can we go off the record?

19 (Discussion off the record.)

20 BY MR. OLIVER:

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23  
24  
25 A That is correct.

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1 Q Are you familiar with an organization known as the  
2 International Freedom Fund Establishment?

3 A No, I don't believe so.

4 Q It is an organization based in London with which  
5 Brian Crozier has been associated. That does not refresh  
6 your memory about it?

7 A No.

8 Q Do you know of any involvement of Brian Crozier  
9 in recent years, in the past three or four years, related  
10 to support for the democratic resistance in Central  
11 America?

12 A No. I am aware of no action program that Brian  
13 Crozier has been involved in directly or indirectly.

14 Q What do you mean by action?

15 A Support for the contras. I am aware that he has  
16 been an articulate and accurate publicist through his  
17 newsletter. That is word support, nothing beyond that.  
18 Beyond that, I have no personal knowledge.

19 Q Let the record reflect that Bert Hammond of the  
20 House Select Committee and staff member of the House  
21 Foreign Affairs Committee has joined this illustrious  
22 group.

23 Going back to the meeting with President Reagan  
24 that you attended, you mentioned a man named Robert Evans.  
25 Who was Robert Evans?

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1 A An industrialist who lives in Michigan.

2 Q Did he ever raise funds or contribute funds for  
3 any activities related to American programs or policies in  
4 Central America?

5 A Not to my knowledge.

6 Q You indicated that Joakim Maitre was at the  
7 meeting with Axle Springer? Was he an employee of Axle  
8 Springer?

9 A I believe so. He came over from Hamburg. This was  
10 before he moved to the United States. I believe he was  
11 sort of the Director of Publications or something like that.



18 Q Were you aware of a trip that Joakim Maitre  
19 took to Central America on behalf of the Gulf and  
20 <sup>Caribbean</sup> ~~Caroline~~ Foundation?

21 MR. McGRATH: Do you have a time frame?

22 BY MR. OLIVER:

23 Q Between 1984 and 1987.

24 A I am aware by hearsay that he took the trip.

25 Q When you say by hearsay, what do you mean?

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52A

1           A     In some meeting some place I remember having someone  
2 mention to me that Joakim Maitre went to Central America.  
3 I think he may have been involved in writing the Gulf or  
4 Caribbean monograph that was produced some time around 1984.

5           Q     Was that also the monograph that Michael Ledeen  
6 participated in publishing.

7           A     I think so. The closest I can get to being  
8 specific is to say it has a blue cover.

end #2

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Dotson/drg  
Take #3  
11:45 a.m.  
fols Lyda

1 BY MR. OLIVER:

2 Q On page three of the memorandum we were discussing,  
3 there is a number four that indicates congressional strategy.  
4 Is that the congressional strategy that you were recommending  
5 that Bill Clark approve?

6 A Yes. The congressional strategy here was the  
7 caution of how to deal with development of public diplomacy  
8 and the democracy program with Congress. And specifically,  
9 as noted on page one, there is the fact that we would be in-  
10 cluding in our budgetary submission money for public diplomacy  
11 and democracy.

12 But we felt at the first meeting that we would have,  
13 with the SPG principals, we ought to determine how it would be  
14 submitted to Congress, which budget, which spokesman, and that  
15 sort of thing. And that's what this was dealing with.

16 Q Did you draft the language that was included in the  
17 State of the Union address on this subject?

18 A I helped participate in the preparation. Anyone  
19 having dealt with -- you know what I mean -- White House  
20 speeches, you don't draft them, you try to suggest ideas for  
21 inclusion.

22 Q It is worse than interagency committees.

23 The last tick in number four that you recommend  
24 briefing of key Senators and Congressmen and selected phone  
25 calls, and looked to USIA and State to orchestrate, did that

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1 happen, were there briefings of key Congressmen and Senators  
2 and selected phone calls related to Project Democracy at that  
3 point?

4 A I believe so. As you know from your previous  
5 experience, we were working very closely with Chairman Fascell  
6 and his staff concerning the process moving forward to create  
7 what later became the National Endowment for Democracy, and  
8 that was, of course, a major financial part of the whole  
9 democracy program, and we had to work closely with the Hill  
10 to be sure our plans were understood by them and supported by  
11 our friends and colleagues on the Hill.

12 We also had the question of trying to put some  
13 public diplomacy funds into other parts of the government,  
14 such as State and AID, and that required discussion. As I  
15 recall, one point that was of particular concern was to  
16 guarantee a funding floor for the Asia Foundation, and that  
17 was an issue that came up as part of this. It is not cited in  
18 this memo.

19 Q Since you have mentioned Congressman Fascell and  
20 staff, I do recall those meetings and having participated in  
21 them, but I think the record needs to reflect we did not know  
22 at the time you were the director of the intelligence compon-  
23 ent of NSC and former employee of the CIA.

24 A This is at what timeframe?

25 Q January of 1983.

MR. MC GRATH: If Mr. Oliver would like to be sworn

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1 to accommodate that statement, we will accommodate him.

2 MR. OLIVER: I am making the statement for the record.

3 If there is some need for me to be sworn at some appropriate  
4 time, I will certainly aver I did not know Mr. Raymond was the  
5 Director of the intelligence component of the NSC and employee  
6 of the CIA at the time.

7 THE WITNESS: I feel compelled to make one comment,  
8 though. The way the NSC functions, not only under this admin-  
9 istration, but previous administrations, the staff officers are  
10 there as NSC staff officers, not as detailees of different  
11 agencies.

12 For example, my predecessor in the intelligence  
13 group was the senior NSC staff officer for East Asia, and his  
14 predecessor was the senior staff officer for most of Africa,  
15 and his predecessor. So the point is that you work for NSC,  
16 and whether you were a detailee from CIA or from the Defense  
17 Department or State, you were not responsible and you did not  
18 accept command from those other agencies.

19 BY MR. OLIVER:

20 Q In point number five, on that page, it is indicated  
21 that you pulled together the weekly summary statement of the  
22 activities and plans of the four committees, which I will  
23 share with the SPG principals.

24 Does that assume that you are going to put together  
25 a weekly report on these activities for Bill Clark?

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1           A     Well, that was the -- yes, that is the correct  
2 statement there. That was the assumption.

3           Q     And did you do that?

4           A     Not as precisely as stated there. I noted high-  
5 lights in the weekly summaries which we sent forward to the  
6 judge, each of the senior directorates.

7           Q     You mean Judge Clark?

8           A     Yes. And I periodically briefed him on activities  
9 and plans of the four committees. The level of activity was  
10 not such it required a weekly summary of the activities, in  
11 other words.

12          Q     On the last page of this memorandum, the last tick  
13 in the summary, it says "We will move out immediately in our  
14 parallel effort to generate private support."

15                Could you tell me what you meant by that and what  
16 you did in terms of moving out immediately to generate private  
17 support?

18          A     That is in reference to the earlier paragraph on  
19 page one, the last paragraph.

20          Q     So this was a NSC effort to generate private sup-  
21 port? Is that correct?

22          A     In a broad overall sense, trying to encourage  
23 broader cross-section of the American people to be involved in  
24 these foreign issues. I think that the way the legislation  
25 worked out, not so much legislation, but the way that the

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1 board resolved the division of responsibilities in the National  
2 Endowment for Democracy, it accomplished one of the goals in  
3 the sense the National Endowment gives grants to American  
4 organizations participating, in helping them participate inter-  
5 nationally. That was one of our goals.

6 Q What role did the CIA have in the activities which  
7 are mentioned in this memorandum, other than the fact that you  
8 were on loan from the CIA to the NSC?

9 A The CIA had no direct role in any of these activi-  
10 ties. As you all note, the SPG meeting took place on or about  
11 the end of January. You will also note that I left, I retired  
12 from CIA the first week in April. I was concerned to be  
13 sure that there were no connections, links to this process.

14 Q Did you discuss the general thrust of this memoran-  
15 dum and the projects which it talks about with Bill Casey?

16 A As I mentioned earlier, I am sure the question of  
17 public diplomacy did come up in one or more of those meetings  
18 with Bill Clark. And after some considerable consideration  
19 of the appropriate role for CIA, it was agreed CIA should not  
20 be involved in this, because it would contaminate public  
21 diplomacy.

22 Q But this is January of 1983. My question really  
23 was: Did you discuss this project, this memorandum and what  
24 it contained with Bill Casey in this timeframe?

25 A I don't believe specifically.

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1 Q Did you discuss it with him generally?

2 A Well, as I said before, I think the question of  
3 trying to develop a public diplomacy capability, overt public  
4 diplomacy capability, is something that had been discussed  
5 periodically before. I knew I wanted to do that when I came  
6 down here. He is a man of broad interests, many times in his  
7 own past when he had no intelligence connection; he had been  
8 involved in public diplomacy efforts. He knew they were  
9 necessary.

10 So, he, personally, taking his CIA hat off for a  
11 minute, was supportive of this in his contacts as adviser to  
12 the President, the Cabinet. It's the kind of thing which he  
13 had a broad Catholic interest in and understanding of and would  
14 encourage.

15 Q This January -- January of 1983 was the period of  
16 time which I believe you testified earlier you began to have  
17 once-a-week meetings with Bill Clark and Bill Casey and your-  
18 self, sometimes including two or three others, related to your  
19 activities as Director of the Intelligence Group of the CIA.  
20 Is that correct?

21 MR. MC GRATH: NSC.

22 THE WITNESS: I would like to correct my earlier  
23 testimony on that by looking back through some sort of  
24 marginalia I wrote to myself. I think that may start as early  
25 as August of '82. It is true, from what you have said, that

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1 other people attended, it was not three people. It could be  
2 anywhere between three to six.

3 BY MR. OLIVER:

4 Q But sometimes it was the three of you, and other times  
5 other people might have been involved, your deputy or Bill  
6 Casey's deputy or someone else?

7 A Correct.

8 Q But the primary purpose of that meeting was to  
9 discuss matters related to the Intelligence Committee, is that  
10 correct?

11 A Correct.

12 Q During the time period that you were at the NSC,  
13 did you have any interaction or dealings with -- and I am going  
14 to ask you a series of names, and the question is, did you  
15 have any dealings with them related to Central America during  
16 this time period.

17 A What timeframe?

18 Q We are talking about 1982 to 1987.

19 MR. MC GRATH: These names are different than the  
20 ones you went through before?

21 MR. OLIVER: Yes.

22 THE WITNESS: You are covering my assignment in  
23 the NSC?

24 MR. OLIVER: That is correct.

25 THE WITNESS: All right. Related to Central America.

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1 MR. OLIVER: Related to Central America.

2 BY MR. OLIVER:

3 Q Dewey Clarridge.

4 A Yes.

5 Q What was your -- could you describe your dealings  
6 with Dewey Clarridge related to Central America during your  
7 service at the NSC as best you can recollect? I know it is a  
8 broad timeframe.

9 A I do not recall the date that Dewey Clarridge be-  
10 came Chief of the Latin America Division, but it was before I  
11 had completed my responsibilities in the intelligence group.  
12 So I had contacts with Clarridge in that connection during  
13 the time that I was in the Intelligence group. I did not have  
14 any ongoing professional relationship with him after that time.  
15 Although there were representatives of his organization  
16 participating in some of what we call the "scrub" sessions on  
17 that finding, which we characterize as the legacy I hadn't  
18 quite gotten rid of in the first few months of the new assign-  
19 ment.

20 Q Did you ever discuss with Dewey Clarridge the  
21 creation of the international communications component of the  
22 NSC?

23 A I do not think so.

24 Q Did you ever discuss the need for private fund-  
25 raising or funds from third countries or private sources for

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1 the Democratic Resistance with Dewey Clarridge?

2 A No.

3 Q Did you ever discuss any matters related to Iran  
4 with Dewey Clarridge during that time period?

5 A No.

6 Q Were you aware of the frequent contacts between --  
7 frequent contacts between Oliver North and Dewey Clarridge  
8 during that time period?

9 A I was aware that there was contacts. I wasn't aware  
10 of the frequency of them.

11 Q What did you know about the nature of those con-  
12 tacts?

13 A Not a great deal. I know, as we all know, that  
14 Ollie North was very actively involved in supporting the contras,  
15 traveling back and forth, and that he had contacts with Dewey  
16 Clarridge. Beyond that, I can't get specific. I wasn't in  
17 any of the meetings; I don't know what the substance was; I  
18 am just aware of the fact they were in touch.

19 Q Did you ever discuss Ollie North's activities  
20 related to Central America with him during that timeframe?

21 A I don't believe so.

22 Q Did he ever tell you of any CIA involvement with the  
23 contra re-supply operation while you were at the NSC?

24 A He being Clarridge?

25 Q Oliver North.

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1 A CIA re-supply --

2 Q I said CIA involvement in the re-supply operation.

3 A No, not that I recall.

4 Q Let's move on. [REDACTED] the same question,  
5 related to Central America.

6 A Let's see, I had a couple meetings with [REDACTED]  
7 relating to Central America. What else can I give you?

8 Q I would like to know if you could tell me about those  
9 meetings with [REDACTED] related to Central America, when  
10 they took place, and what the nature of the discussion was.

11 A Well, they were two different types of meetings.  
12 One dealt with -- back to the word "legislative", but there  
13 were some legislative strategy meetings that took place around  
14 or about '85-'86. I am not sure when [REDACTED] actually came on  
15 board. The principal actors in this were the legislative  
16 counsels, State and the White House, and I guess NSC.

17 Q When you say legislative counsel, you mean the  
18 heads --

19 A I mean --

20 Q Will Ball --

21 A Will Ball, Ed Fox, Allison Fortier, or their  
22 predecessors, and they would discuss the general strategy. I  
23 was there once in a while. I was not a regular participant in  
24 those discussions. Otto Reich was there. [REDACTED] partici-  
25 pated because there was a potential dimension of the CIA, and

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1 he was the coordinator for the staff force.

2 The other context was in the Central America  
3 Public Diplomacy Working Groups, where there was a participa-  
4 tion by a representative of ~~██████████~~ <sup>C/CATE</sup> most of the time  
5 rather than ~~██████████~~ <sup>C/CATE</sup> himself at the Central America Working  
6 Groups, Public Diplomacy Working Groups.

7 Q The CIA was always represented at the Public  
8 Diplomacy Working Group meetings?

9 A They were represented at the <sup>small</sup> ~~small~~ ones simply  
10 because by the last legislation they were involved, so we had  
11 to be certain that we weren't crossing wires. And in some  
12 cases, it was a question of getting information, perhaps even  
13 getting some information declassified we used there for  
14 public use. The role was a minor one, but an important one,  
15 since they did have a piece of the real estate.

16 Q Did you ever discuss funding for any projects,  
17 individuals or organizations involved in support of the  
18 Democratic Resistance with ~~██████████~~ <sup>C/CATE</sup>

19 A No. Not that I remember.

20 Q Did you ever discuss funding for ~~██████████~~ <sup>C/CATE</sup>  
21 ~~██████████~~ with ~~██████████~~ or at the Central America Public  
22 Diplomacy Working Group meetings?

23 A I don't recall any discussion on that.

24 I would want to differentiate one point there.  
25 The Public Diplomacy Working Group would not be the kind of

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1 place for that discussion. That discussion, were it to take  
2 place, and I don't know if it did, would have been in the  
3 restricted IG, the RIG. Because we were not sitting there  
4 discussing funding of anything, we were basically discussing  
5 themes and ideas and needed to receive some public attention,  
6 and matters of that character, not political issues and funding  
7 issues, which would be done in the RIG, if it were done.

8 Since I don't participate and didn't participate in  
9 the RIGs, I cannot speak to how comprehensively they were  
10 discussed there, but they were not discussed in the Public  
11 Diplomacy Working Group.

12 Q In the Public Diplomacy Working Group, didn't you  
13 discuss the work that was being done by the private groups in  
14 support of the President's policies in Central America?

15 A Insofar as it was part of the informational effort,  
16 in other words, if there were going to be a big meeting by a  
17 private group in Chicago or we were going to possibly have a  
18 White House event focusing on human rights, something like  
19 this, but we were not discussing again anything that touched  
20 on funding of contras, funding of the Nicaraguan Resistance.  
21 That was not in our charter.

22 Q I wasn't talking about funding for the contras, I  
23 was talking about funding for private groups who were support-  
24 ing the President's policies in Central America.

25 A I think the answer is no, but if there is a specific

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1 issue you would want me to answer, I would be happy to respond  
2 to something specific.

3 Q At the Central America Public Diplomacy Working  
4 Groups, was there ever any discussion of the State Department's  
5 contracts with IBC?

6 A I think I testified on this last time, and if I  
7 recall what I said, we -- LPD , the Public Diplomacy Group,  
8 essentially functioned in its day-in and day-out affairs  
9 independently. When the question came of a contract in the  
10 early stages of LPD for IBC for specific purposes as stated in  
11 the testimony, we were advised after the fact such a contract  
12 had been consummated, but it wasn't necessary for them to clear  
13 with us. That wasn't part of the process. And that was --  
14 period.

15 Q Well, were you aware of what IBC was supposed to  
16 be doing under this series of contracts with the State  
17 Department?

18 A Probably less than I should be. But my recollection  
19 of it was that they were supplementing some of the research  
20 analysis and writing that was needed to help get LPD launched  
21 and that they were involved in, as I recall, the entertaining  
22 or the assisting of some of the foreign advisors. That is  
23 my recollection. I was not directly involved in this, and I  
24 am to some degree maybe -- I may be reading back to you  
25 press stories about their involvement.

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1 Q To your knowledge, was IBC asked to program or to  
2 guide or to assist advisors from Central America to the United  
3 States who were brought to the United States by the CIA?

4 A I can't answer that. To the best of my knowledge,  
5 no, but I cannot answer that with any specificity. I am not  
6 personally aware of any cases like that. But that doesn't  
7 mean -- I may not have been aware of it, but I -- I personally  
8 have no knowledge of it.

9 Q You indicated some of your discussions with [REDACTED] C/CATF  
10 [REDACTED] related to declassifying information for use in the  
11 public diplomacy project, I assume public diplomacy project.  
12 To your knowledge, was the information that you sought to  
13 have declassified by the CIA provided to IBC either before or  
14 after it was declassified?

15 A To my knowledge, any material that was declassified  
16 would have been declassified in the normal process and become  
17 part of the production of LPD. I don't have any reason to  
18 believe personally that this was given to IBC for exclusive  
19 use or any exclusive treatment. If it had been produced by  
20 LPD, then obviously it would be available to IBC.

21 Now, that is my knowledge of the situation. The  
22 facts may be different, but that is my knowledge of the situa-  
23 tion. I know that -- I mean, the kinds of information that we  
24 were particularly concerned about insofar as we could get this  
25 material was evidence of Soviet or Cuban support to the

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1 Nicaraguans or evidence of Cuban-Soviet or Nicaraguan support  
2 to the Salvador revolutionaries, and there was a lot of hard  
3 evidence, but the question was what if the security classifi-  
4 cations would preclude sharing that information with the  
5 foreign and the American people?

6 Q This is information that was gathered by the Central  
7 Intelligence Agency, is that true?

8 A Well, everybody, the overall community -- I mean,  
9 in some cases, it might have been through some specified --

10 Q You are talking about intelligence collection meth-  
11 ods primarily?

12 A Yes, we are primarily talking about problems <sup>and</sup> ~~and~~  
13 methods of intelligence, yes.

14 Q Were you aware that some of the material that was  
15 published by IBC or provided by IBC to LPD emanated from  
16 declassified information gathered by the intelligence com-  
17 munity?

18 A I was not aware of the fact IBC got anything before  
19 it had been produced by LPD. In other words, LPD had many,  
20 many publications they put out, and I would have thought IBC  
21 ~~would~~ <sup>would</sup> have used those publications. I was not aware of the  
22 fact LPD got something I described as exclusive.

23 Q In your earlier deposition, I believe you produced  
24 some materials that were produced by IBC.

25 A No, by LPD.

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1 Q By LPD.

2 Did those, do you recall any of those publications  
3 containing information that had been declassified by the CIA  
4 as the result of your discussions with ~~██████████~~ <sup>LEGATE</sup>?

5 A I don't recall specifically. You are dealing with  
6 sort of a line-in/line-out, and, as I said, there were very  
7 limited contacts really with CIA on the declassification that  
8 my group had. I think we raised it one or two times.

9 There may have been discussions with others who were  
10 much more actively involved in the liaison with CIA. I was  
11 not. I can't speak to that.

12 I would assume since one of the speeches I gave did  
13 deal with Soviet involvement in Central America, I would  
14 assume some of that had been declassified as a result of our  
15 general interest in trying to make the material available to  
16 the public.

17 Q But it was part of your effort to try to develop  
18 this kind of information and get it into the public domain  
19 in any way that you could?

20 A Well, it was a very minor part of my effort. It  
21 was, of course, the responsibility of LPD to try to get as  
22 much information together as they could from whatever source  
23 was appropriate and credible. I was involved in an enormous  
24 number of different things, and this question of Central  
25 America was something that I spent some time on, but I

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1 wasn't -- it wasn't the only thing I was doing.

2 Q At the time of the Hasenfus incident in Nicaragua,  
3 was there a discussion in the Central America Public Diplomacy  
4 Working Group about that incident and its ramifications?

5 A I don't recall any specific discussion.

6 Q Did you become aware at that time, or shortly  
7 thereafter, in October of 1986, that the aircraft that was  
8 shot down was related to the CIA?

9 A Everything I learned about that was after the fact  
10 and largely from the newspapers.

11 Q Did you learn anything from C/CATF?

12 A No.

13 Q Did you learn anything from any other participants  
14 in the Central America Working Group about that?

15 A No.

16 Q Did you discuss in the Central America Working Group  
17 on Public Diplomacy how to deal with the aftermath of that  
18 airplane crash?

19 A I don't recall any specific discussion.

20 Q Let's move on to the next figure. Clair George.  
21 Related to Central America.

22 A I would say no discussion.

23 Q Did you have any -- no discussion related to Central  
24 America, either public diplomacy related or legislative related  
25 in any fashion?

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1 A To the best I can recall, yes, no discussion.

2 Q [REDACTED]

3 A Never met him.

4 Q Ray Vickers?

5 A Ray Vickers is the NIO for Latin America. I know  
6 him slightly. I have never had a one-on-one conversation  
7 with him, to the best of my knowledge. He may have been in  
8 and out of various types of meetings I have attended. I can  
9 come up with nothing more in detail than he was a staff officer  
10 that served the analyst.

11 Q Bill Casey, related to Central America.

12 A Well, I presume I have had conversations with Bill  
13 Casey related to Central America. How, what, when and why is  
14 a little bit hard to clarify. It came up periodically at the  
15 5:00 o'clock meetings with Judge Clark, Bill Clark, Bill Casey  
16 and others. I don't recall having any personal one-on-one  
17 conversations with Bill Casey about Central America.  
18 Whatever dealings I had were in this other context larger, and  
19 these meetings, of course, I was no longer in these meetings  
20 after the reorganization.

21 Q That would have been --

22 A June, '83.

23 Q -- June, '83.

24 A And I don't recall any discussion with Bill Casey  
25 in any forum that I had -- I hope the record doesn't disprove

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1 me on this -- but my memory tells me no meeting with Bill Casey  
2 after June 1, '83 on Central America. In other words, one-on-  
3 one or group meeting.

4 Q Did you have any meetings with Bill Casey relating  
5 or discussions with Bill Casey relating to Iran after June of  
6 1983?

7 A No.

8 Q Did you have any involvement in the effort to secure  
9 the release of the hostages held by the Hizballah in Beirut?

10 A What timeframe?

11 Q We are talking about post-1983.

12 A No.

13 Q Do you recall being involved in a broadcast over  
14 VOA related to the hostage situation in Iran or related to  
15 Iran?

16 MR. MC GRATH: Timeframe?

17 MR. OLIVER: Any time.

18 THE WITNESS: There has been discussion of this.  
19 My recollection on this -- if you have something specific to  
20 jog my memory, my recollection of this is that there was a  
21 case, I think my involvement was on the margin, I would have to  
22 have the facts more specific -- there was a question of one  
23 broadcast to Iran that you are aware of, I think it has been  
24 in the public domain, I don't have the specifics. Have you  
25 got something there --

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1 BY MR. OLIVER:

2 Q Do you remember being involved in any way in a  
3 broadcast over VOA to Iran?

4 A My recollection is that there was a desire, I may  
5 have this twisted, I believe there was a desire to have an  
6 editorial run. I can't remember whether it was an editorial  
7 or article. I believe there was a desire to have something run  
8 whether it was an editorial or article, and the specific lang-  
9 uage was given to me, and I either told USI I would be coming  
10 over or I took it over. I don't recall the language that was  
11 put into it.

12 Q Do you know what that editorial was related to?

13 A I know after the fact what it was related to, namely  
14 that it had something to do with some sort of signal. I did  
15 not know it at the time.

16 MR. OLIVER: I would like to ask the reporter to  
17 mark this as Raymond Exhibit Number 20 and ask the reporter  
18 to --

19 (Exhibit No. 20 was marked for identification.)

20 MR. MC GRATH: Can we go off the record.

21 (Discussion off the record.)

22 MR. OLIVER: Let's take a five or ten-minute break  
23 here.

24 (Recess.)

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1 BY MR. OLIVER:

2 Q Let's go back on the record. When we went off the  
3 record we were discussing Raymond Exhibit Number 20, which  
4 bears the number N31004, and it is a memorandum from Oliver  
5 North to Ambassador Paul Bremer re international cooperation  
6 against terrorism, and attached is a draft of a VOA editorial  
7 and two PROF notes to Oliver North from Walt Raymond on Sep-  
8 tember 23, 1986.

9 Mr. Raymond, do you remember the circumstances  
10 surrounding this exhibit?

11 A I remember being asked specifically by Colonel  
12 North sometime approximately, about 22 September, for informa-  
13 tion concerning some technical information concerning VOA  
14 broadcasts which I explained to them in the attached PROF  
15 note.

16 Q Did he tell you why he needed that information?

17 A He did not specifically discuss his reasons.

18 Q In the PROF note on the next to the last page,  
19 the last tick in your PROF note to Oliver North says, "If we  
20 are trying to send a message as we did before, it may be tough  
21 to get it on more than a couple times." What were you referring  
22 to when you said "as we did before"?

23 A There was one other case where we were involved in a  
24 terrorist incident where we tried to send a message that would  
25 help, that would trigger something that would release people.

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1 It did not involve Iran.

2 Q Did it involve Central America?

3 A No, it involved a different continent entirely.

4 As you can see from my note here, I am not even sure, I wasn't  
5 aware exactly what he was up to. I just knew that it sounded  
6 to me like we were trying to get a message, I am not sure what  
7 it was. I don't recall, frankly, seeing the editorial. I  
8 think, there's no evidence on this document that would suggest  
9 I reviewed the editorial. I simply provided the raw material  
10 on broadcasting.

11 Q It didn't indicate you might have?

12 A That is correct.

13 Q Did you ever discuss this matter with Colonel North  
14 subsequent to these PROF notes?

15 A I don't believe so.

16 Q Did you ever discuss it with anyone at the CIA?

17 A No.

18 Q Did you ever discuss it with anyone else at the  
19 NSC?

20 A No, I don't think so.

21 Q Did you ever learn what the purpose of this  
22 editorial was before now?

23 A Not before the hearings, no.

24 Q Did you discuss it with Jerry Bremer?

25 A No.

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1 MR. OLIVER: I think we will take a break now  
2 until either 8:30 tomorrow morning or 2:30 tomorrow afternoon,  
3 and Mr. Raymond or Mr. McGrath will get in touch with Mr.  
4 Fryman and I regarding which of those times is convenient,  
5 and we will indicate to you what room will be available.

6 MR. MC GRATH: Pursuant to our earlier discussion,  
7 it is my understanding, because of the sensitivity of Mr.  
8 Raymond's deposition that it will be closely held, that copies  
9 are not going to be made available other than to members on  
10 an access-only basis.

11 MR. OLIVER: That is correct. Except to the extent  
12 that the chairman or the chief counsels of the committee may  
13 determine that other appropriately cleared people should have  
14 access as they determine, that is a correct assumption.

15 (Whereupon, at 12:45 p.m., the select committee  
16 was adjourned to reconvene Thursday, September 24, 1987.)

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**Committee Hearings**

of the

**U.S. HOUSE OF REPRESENTATIVES**

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25**DEPOSITION OF WALTER RAYMOND**

Thursday, September 24, 1987

House of Representatives,  
Select Committee to Investigate  
Covert Arms Transactions with Iran,  
Washington, D. C.

The select committee met, pursuant to call, at 8:30 a.m.,  
in Room H-405, The Capitol, Spencer Oliver (Associate Staff  
Counsel of the House Select Committee) presiding.

Present: On behalf of the House Select Committee:  
Spencer Oliver, Associate Staff Counsel; Thomas Fryman, Staff  
Counsel; Kenneth Buck, Assistant Minority Counsel; and Victor  
Zangla, Associate Staff Member.

Also Present: Dean McGrath, Associate Counsel to the  
President; and Michael Olmsted, White House Counsel's Office.

Declassified/Released on 19 Dec 1987

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1 Whereupon,

2 WALTER RAYMOND

3 having been previously duly sworn, was recalled as a witness  
4 herein, and was examined and testified as follows:

5 MR. OLIVER: Good morning, Mr. Raymond.

6 THE WITNESS: Good morning, Mr. Oliver.

7 MR. OLIVER: This is a continuation of the two  
8 previous sessions we have had and you are still under oath.

9 MR. McGRATH: At the outset could we have everybody  
10 identify themselves again since there are some different  
11 people here today.

12 MR. OLIVER: I am Spencer Oliver, Associate Staff  
13 Counsel, House Select Committee, and Chief Counsel of the  
14 House Foreign Affairs Committee.

15 MR. FRYMAN: Tom Fryman, Staff Counsel of the  
16 House Select Committee.

17 MR. BUCK: Kenneth Buck, Assistant Minority  
18 Counsel, House Select Committee.

19 MR. OLMSTED: Michael Olmsted. I work in the  
20 White House Counsel's Office.

21 MR. McGRATH: Dean McGrath, Associate Counsel to the  
22 President.

23 MR. RAYMOND: Walter Raymond.

24 MR. ZANGLA: Victor Zangla, Associate Staff  
25 Member, House Select Committee.

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1 THE WITNESS: Mr. Oliver, I wonder if I could  
 2 clarify two points yesterday. Reflecting after the hearing,  
 3 after the deposition that was filed yesterday, one is you  
 4 asked me a question about Iran. I don't recall precisely  
 5 the time frame that you asked me, but I did participate in  
 6 one Iran session with the CIA and Near East Division Chief  
 7 and with the Assistant Secretary of State, Nick Veliotas in  
 8 early March, 1983, when still in my capacity as the  
 9 Director of the Intelligence Office of the White House --  
 10 in the NSC, I participated in a briefing [REDACTED]  
 11 [REDACTED] which  
 12 had been thoroughly approved and debated with the Congress  
 13 with appropriate oversight committees.

14 That is the only contact with Iran but I want to  
 15 make it clear I did, in fact, have that one conversation.  
 16 I did not remember yesterday.

17 The second point for clarification is we were  
 18 discussing my contacts with Dewey Clarridge on <sup>or</sup> ~~a~~  
 19 reflection, I recall -- reviewing a few documents last night,  
 20 I did note and recall that I had sent a memo to  
 21 Clarridge in August, 1983, discussing the presidential  
 22 finding which we discussed yesterday. This, on the basis  
 23 of my reading the documents, I had had some comment, some  
 24 exchange in writing or orally -- I am not sure -- with  
 25 Judge Clark, Security Advisor <sup>Bill</sup> Clark, and he asked me

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1 to share some of my views with Mr. Clarridge.

2 MR. OLIVER: Thank you very much for those  
3 clarifications, Mr. Raymond.

4 EXAMINATION ON BEHALF OF HOUSE SELECT COMMITTEE

5 BY MR. OLIVER:

6 Q Did [REDACTED] that you discussed with the  
7 Near East Task Force Chief and Mr. Veliotis have anything  
8 to do at that time or ultimately with arms sales to Iran  
9 or the events which led to the arms sales to Iran?

10 A No, sir.

11 Q Was the <sup>dis</sup>course that you mentioned with  
12 Dewey Clarridge in August of 1983 provided to this committee?

13 MR. McGRATH: Yes, it was.

14 MR. OLIVER: If you have a record of that,  
15 counsel, I haven't seen it. If you could provide me with  
16 it or indicate the document numbers on it, I would appreciate  
17 it very much so we would have a chance to examine it. If  
18 we have it, it is not reflected in the files which I have  
19 examined.

20 MR. McGRATH: That is something we can discuss  
21 after the deposition.

22 MR. OLIVER: Does that mean there is a problem  
23 with your providing it?

24 MR. McGRATH: It has already been provided to the  
25 best of my knowledge.

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1 MR. OLIVER: If it has not, you will provide it  
2 to us.

3 MR. McGRATH: Yes.

4 MR. OLIVER: Thank you.

5 BY MR. OLIVER:

6 Q Mr. Raymond, we were discussing yesterday the  
7 activities, your activities in relation to the establishment  
8 of the public diplomacy initiative, the project democracy  
9 initiative, 1983, 1984. How much of your time after May 1,  
10 1983, would you say you discussed -- you devoted to  
11 public diplomacy as opposed to your intelligence  
12 responsibilities?

13 A The new directorate was established ~~on~~ <sup>in</sup> ~~one~~ <sup>the</sup> June.  
14 We are thinking in terms of my subsequent four years in the  
15 NSC, almost totally devoted to public diplomacy, democracy  
16 building issues.

17 Q Did you participate in the draftings of any other  
18 presidential findings for covert action on Nicaragua after  
19 you left your intelligence position other than the one we  
20 discussed on September the 12th, 1983, yesterday?

21 A To the best of my recollection, the only involvement  
22 that I had was the Central American question, which as the  
23 files pointed out in our discussion yesterday, I simply  
24 was on a continuation basis until that issue could be  
25 settled and other people had exclusive responsibility for

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1 that.

2 So the answer is to the best of my knowledge, no  
3 other programs.

4 Q In the Central American public diplomacy group,  
5 which met in your office<sup>and</sup> which you either chaired or co-  
6 chaired from time to time, did you task any of the members of  
7 that working group to do anything or was it simply a discussion  
8 of what is going on?

9 A I think over a period of a couple years this group,  
10 which was basically chaired by Otto Reich, did from time to  
11 time task -- could be selected research, could be reports or  
12 other matters.

13 Q Was Oliver North tasked by that group from time to  
14 time?

15 A Very infrequently. He was not a regular member of  
16 that group, although as one of the officers of the National  
17 Security Council, working on Central America, it was useful  
18 to have him present if, in fact, another member of the  
19 Latin American Office of the NSC was not present. So in  
20 that case he would participate.

21 There were occasions where he would volunteer to  
22 undertake one aspect or another of work. In most cases, it  
23 would be his willingness to undertake an effort rather than  
24 the group tasking him. This principally was in the area,  
25 as we discussed yesterday, of finding intelligence

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1 information that perhaps was available for declassification.  
2 He was much closer to the intelligence community than any  
3 other member of that working group and he sought to facilitate  
4 some of the declassification.

5 Q But there were representatives of the intelligence  
6 community in that working group, were there not?

7 A Not in 1983 and 1984 time frame.

8 Q But in 1985 and 1986, there were?

9 A I think we did include a member of the Central  
10 American Task Force, I think it is called.

11 Q Of course, when you indicate Oliver North was  
12 closer than anybody else to the intelligence community,  
13 you are excluding yours?

14 A I am excluding -- no, I am not excluding myself  
15 because I was not engaged in an ongoing, running negotiation  
16 for any of these documents with CIA at the time. I am  
17 including myself.

18 To restate, I am specifically referring to the  
19 other NSC staff officers, to Otto Reich and his  
20 representatives. USIA representative, DOD representative.  
21 When the Central American Task Force began to have an officer  
22 included in this group, clearly, they were in a better  
23 position than anybody else to help facilitate declassification.  
24

25 Q I think your statement -- I may have been confused

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1 was that Oliver North was closer to the intelligence  
2 community than anyone else. You meant, I assume, he  
3 worked more closely with them on the subject of Central  
4 America than anybody else because obviously with his back-  
5 ground and your background, I think it would be very  
6 difficult to describe him as being closer to the intelligence  
7 community than you were.

8 A Well, basically, the issue here is who was working  
9 with CIA to perhaps facilitate declassification and the  
10 answer is that Oliver North would be the only officer that  
11 I am aware of at the NSC that was seeking to facilitate  
12 declassification.

13 Now, there was also some efforts by the task force  
14 when they came on line. I was not.

15 Q The purpose of his seeking declassification of  
16 this information was what? To pass it on to Otto Reich  
17 and LPD?

18 A Basically when possible to declassify by protecting  
19 sources and methods, we felt the American people and the  
20 world needed to know that the Soviets were providing  
21 lethal support to Nicaragua, and the size of it and that  
22 there were support systems running through from Cuba,  
23 Nicaragua and other places that were supporting the  
24 insurgency in El Salvador. We thought as best we could to  
25 facilitate the documentation of that.

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1 Q What were the mechanisms that you used to tell the  
2 world this story?

3 A Well, it could be a range of mechanisms. In some  
4 cases it might be included in a statement, a press  
5 statement or a speech by Secretary Shultz or an appropriate  
6 assistant secretary. In some cases it might appear in  
7 testimony.

8 Other cases it might be in a collated analysis  
9 which would be produced and disseminated by Otto Reich's  
10 office as an open, public document. These are the things  
11 we were working on.

12 As I described in our earlier open testimony,  
13 there was an elaborate production from Reich's office and  
14 I gave you three samples.

15 Q Is this the kind of information that Oliver North  
16 also included into his famous slide show?

17 A I presume if it is declassified, it would be open  
18 to be used in that. I presume so. I was not personally  
19 intimately involved in the development of the slides, but my  
20 recollection was that they did include evidence of Soviet,  
21 Cuban, Nicaraguan support of insurgency.

22 Q Did you ever see the slide show?

23 A Not in the form that it was given to the  
24 oversight committee. I had seen some --

25 Q I don't think anybody saw it in the form it was

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1 given to the oversight committee.

2 A No. I had not sat and seen the whole thing.

3 Q But having the responsibility for Central  
4 American public diplomacy in the White House, you were  
5 aware that he was conducting these briefings and who ~~he~~<sup>in</sup> he was  
6 conducting them for and that sort of thing, weren't you?

7 A In very general terms. The person who had the  
8 responsibility for the overall public diplomacy was  
9 Otto Reich and his group of ~~ten~~<sup>10</sup> to 14 people.

10 Q Otto Reich had over~~all~~<sup>all</sup> responsibility for  
11 Oliver North's activities?

12 A Otto Reich had over~~all~~<sup>all</sup> responsibility for public  
13 diplomacy.

14 Q Did he task Ollie North?

15 A In some cases. In some cases he did not.

16 Q What I am trying to determine is in these weekly  
17 meetings where -- I don't know whether these were  
18 Thursday afternoon or the Tuesday evening or what -- the  
19 weekly meetings that took place in your office on Central  
20 American public diplomacy, didn't Ollie North report back  
21 that, I briefed X number of groups or I am going to or  
22 something? Weren't you aware of all this?

23 A A, Ollie North was a self-starter. Ollie North  
24 was also quite ~~an~~<sup>an</sup> independent orator. Ollie North attended  
25 probably one in every ~~ten~~<sup>10</sup> meetings, which means that group

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1 had a generalized idea of some of the things that he was  
2 doing, but they certainly had no over<sup>all</sup> knowledge of the  
3 range of his activities.

4 Q Mr. Raymond, did you participate in any other  
5 working groups where Oliver North was an active participant  
6 besides the one on Central American public diplomacy?

7 A On any subject?

8 Q A subject related to Iran or Nicaragua?

9 A To the best of my knowledge, no.

10 Q Well, let me indicate to you that our staff has  
11 examined Oliver North's calendars, which are not complete,  
12 for 1984, 1985 and 1986, and they show him meeting with  
13 you -- most of these are meetings in your office -- over  
14 70 times in 1984 and 1985 and 1986, and I stress that  
15 calendar is incomplete and there are many gaps in it, because,  
16 of course, he was out of the country a lot.

17 So that seems to me like a pretty hefty number of  
18 meetings. In fact, you are on his calendar more than anybody  
19 else in the White House or in the Government.

20 A I find that to be absolutely amazing and inaccurate

21 Q Well, we can certainly get the calendars --

22 A I don't care whether the calendar says it. That  
23 doesn't mean to say I met him that many times. First of all,  
24 we are talking three years, so spread that over 150 weeks,  
25 that means a possibility of meeting Oliver North every two

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1 weeks, rough estimate. That probably coincides with a  
2 notation -- I am speculating totally -- it probably coincides  
3 with roughly biweekly meetings we had on public diplomacy  
4 where presumably -- the meetings were frequently in my  
5 office and it would be posted that that is the meeting  
6 with Walt Raymond. That would be the meeting with Walt  
7 Raymond and Otto Reich.

8           The fact is that all those posted on his calendar  
9 by his secretary, presumably, this is the ten o'clock  
10 meeting or whatever it was and the time changed and the  
11 day changed because of schedules -- that it was there and he  
12 knew it was taking place.

13           Now, that does not mean that he attended. It  
14 simply means that he knew that that meeting was scheduled.  
15 Now, occasionally he would come to the meeting.

16           I can't specify how many times, but he didn't  
17 come very regularly.

18           Q    I don't know whether it means whether he attended  
19 or not, but on most instances where he didn't attend the  
20 meeting or it was cancelled, there was a line drawn through  
21 it. That wasn't the case in this instance. When you  
22 indicated you thought he may have come to one meeting, what  
23 I am telling you is our evidence that we have indicates quite  
24 a different story.

25           A    You could ask Otto Reich whether Ollie North

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1 attended 70 meetings in my office and I think he would  
2 tell you Ollie North probably came a few times. He was not  
3 a regular attendee.

4 Q When he attended, did he report on his activities  
5 related to public diplomacy in Central America or related to  
6 Central America?

7 A Sometimes.

8 Q Did he ever report on the presentations that he  
9 made to the contributors to Spitz Channell's organization?

10 A Never that I can recall.

11 Q Why would he not tell you about those?

12 A I can't answer that. I don't know. Other than  
13 he felt that was information that he didn't want to share.

14 Q Well, these were briefings that were taking place  
15 in the White House with people who were important enough to  
16 have the President of the United States attend one of the  
17 briefings and some of whom were important enough to have  
18 private one-to-one meetings with the President with  
19 photo sessions. It seems that is important enough for  
20 him to report that to the group that is working on  
21 Central American public diplomacy.

22 A Well, let me clarify my point there. That on  
23 meetings that involved the President, involved bringing  
24 groups into the White House, there was an elaborate process  
25 where we would send forward scheduled proposals and other

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1 people would be aware. Now, when we had events of that  
2 character, most of the time -- and I want to underline  
3 most of the time -- we would be aware of a White House  
4 event, not always, but most of the time we would be aware  
5 of it.

6 We would not necessarily be aware of the full  
7 make-up of the group. I was not aware of the name  
8 Spitz Channell until the hearings a few months ago. Now,  
9 Spitz Channell for all I know may have been included in that  
10 group. It certainly was not a name that rose up to me and  
11 had any special significance until the hearings.

12 Q I find that very difficult. Did you see any of the  
13 ads that were run on television regarding the President's  
14 program in Central America that were run very heavily in the  
15 Washington media market in 1985, in the spring or in  
16 1986, between early February and late June?

17 A Did I see them on television?

18 Q Yes.

19 A I think I might have seen one on television. I am  
20 not certain about that.

21 Q Did you know about them?

22 A We have to differentiate because part of the  
23 confusion is whether I was running Central American public  
24 diplomacy. I was not running Central American public  
25 diplomacy. This is one of the confusions here. And we

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1 met biweekly toward the end, sometimes I think earlier  
2 it may have been weekly. I am not sure. And we were -- each  
3 of us we are sharing our insights of what was going on.  
4 Ollie North was periodically there and he shared some of  
5 his information, obviously not all of it.

6 Q He didn't tell you about the briefings in the  
7 White House for these contributors? Is that your testimony?

8 A I am not certain about that. He did not tell me  
9 that he was bringing in funders to meet in the White House.  
10 I may be aware -- I would have to look at the record on  
11 this -- I may be aware of the fact there was a White House  
12 meeting where presidential supporters were coming in. I was  
13 not aware that the purpose of this meeting was to raise money.  
14 There were meetings that have taken place in the White House  
15 on Central America with the outreach group and others since  
16 1983, as we are aware, perhaps earlier. Frequently there  
17 were people coming in who were supporters of the President  
18 and others and there may or may not have been a fund  
19 raising dimension. I was not aware of a fund raising  
20 dimension to a specific group.

21 Q Do you recall what activities Oliver North  
22 reported to you about other than declassification of  
23 information in this working group? Do you recall anything  
24 he reported to you that he was doing on behalf of Central  
25 American public diplomacy?

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1           A     We were aware of the fact he periodically would be  
2 traveling to the region or to Miami where he would be working  
3 with the contra leadership <sup>6/</sup> he would in one case seek to  
4 develop a political document with the leadership, but not  
5 with much precision, which would be broader in support <sup>17</sup>  
6 democracies in the region. We were aware of an ongoing  
7 contact he had with the contras.

8           I was personally aware of that type of contact.  
9 We were aware that from time to time he would make a speech  
10 here or there, that he would seek to generate as much  
11 support as he could by providing, by giving speeches <sup>(know)</sup> in  
12 450 to outreach audiences; that he certainly from time to  
13 time would come up with proposals for presidential events,  
14 presidential drop-bys.

15           Q     Do you remember whether any of those were related  
16 to Central America?

17           A     Not precisely. I would be happy to review a  
18 document and comment on it, but I don't remember specifically  
19 events. I remember a lot of events over four years of  
20 various and sundry groups being brought in.

21           Q     You don't remember Oliver North recommending a  
22 presidential drop-by for any specific group or meeting?

23           A     I do remember drop-bys to groups of American people,  
24 American citizens. I don't remember a specific meetings.  
25 We did discuss --

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1 Q Do you remember a specific group or an individual?

2 A I would rather respond to something specific.

3 Q I am asking if you remember just one  
4 individual or one group that Ollie North recommended the  
5 President meet.

6 A Well, I remember events when the contra leaders  
7 were in town, one meeting there. I know it may sound  
8 implausible, but I do not remember specific groups. I  
9 remember people. I don't identify faces and names with those.  
10 I remember we had human rights events where we were focusing  
11 on Central America. We had a religious event and I can't  
12 identify the people in the audience, but these were  
13 human rights activists. They were religious, people  
14 concerned about religion.

15 I remember several events where we had people who  
16 had been persecuted, suffered religious persecution in  
17 Nicaragua. They were brought up. I remember a couple of  
18 times we would have members of Congress in the audience on  
19 that. I remember one event with some foreign dignitaries  
20 that were in town on Central America and one name sticks  
21 in my -- name is Sir Winston Churchill, Sir Winston Churchill's  
22 son.

23 There were other events with the group -- this is  
24 back largely in 1983, 1984, with the outreach network, if  
25 you want to call it that, of conservatives that

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1 Faith Whittlesey had put together that met with the President  
2 once in the Roosevelt Room. I don't recall specifically who  
3 was in there, but I think it included people like  
4 Lynn Bouchet and perhaps somebody from American Security  
5 Council and a couple of others.

6 I am trying very hard to remember if I can remember  
7 a specific funding group and I don't. That was never brought  
8 into the issue as bringing these guys in for funding. That  
9 was never a question.

10 Q I was trying to determine what the people who sat  
11 in on this group reported to you. We discussed yesterday,  
12 I believe, briefly the IBC contract with the Department of  
13 State and you indicated you knew about it but that you had  
14 very little knowledge of it or very little knowledge about  
15 what they were doing.

16 I am just trying to determine what these people  
17 reported to you about. It appears from what we have seen  
18 thus far that Ollie North, in addition to running the  
19 air resupply operation and working, you know, that in the  
20 public diplomacy area his main activities related to  
21 Spitz Channell's fund raisers and these briefings and Rich  
22 Miller and IBC's things and if there is someplace in the  
23 White House where they are going to report those things, it  
24 would seem to be in the meeting that took place in your  
25 office.

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1 A But they weren't.

2 Q That is your testimony.

3 A We did talk in early September about the Nicaraguan  
4 refugee fund dinner and there was this question of  
5 funders that came in.

6 Q Early January, you are talking about 1985?

7 A 1985. I did not participate in that meeting and,  
8 as I testified before, I do not have the details of that,  
9 although my memory was refreshed, there was this analogue  
10 to the dinner.

11 Q Did Jonathan Miller participate in these meetings  
12 in your office on a regular basis while he was Otto Reich's  
13 deputy?

14 A Quite frequently.

15 Q What, to your best recollection, was Jonathan  
16 Miller doing at LPD? What were his duties? What did he  
17 report that he was working on?

18 I think Otto had two deputies, John Black<sup>EN</sup> and  
19 Jonathan Miller.

20 A Well, it was principally helping Otto on across-the-  
21 board activities.

22 I don't know that he had any specific division of  
23 labor. He did travel several times to Latin America, but that  
24 was I think as much as anything else for familiarization.

25 Q Did he work for a time out of Oliver North's office?

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1           A     I am not sure. He was in rather frequent contact  
2 with Oliver North.

3           Q     How do you know that?

4           A     Because he would -- I would just be aware he was  
5 there. You are sort of aware of who is in the NSC.

6           Q     Is your office close to Oliver North's

7           A     No, not that close; around the corner.

8           Q     Is it on the same floor?

9           A     Same floor, around the corner. But Oliver  
10 North, Ray Burkhart, earlier, Constantine Mengas, were  
11 the early staff officers working on Central America, so it  
12 would be consistent to be in touch with all of them and  
13 Miller and Reich were in touch with all of them.

14          Q     Do you know what Jonathan Miller's frequent  
15 contact with Oliver North related to?

16          A     Not specifically.

17          Q     Were you ever aware that Jonathan Miller cashed  
18 travellers' checks for Oliver North to provide money to the  
19 resistance?

20          A     No. No, I was not.

21          Q     Were you ever aware that Oliver North kept funds or  
22 travellers' checks in his safe that had to do with funding  
23 the democratic resistance in Nicaragua?

24          A     No, I did not.

25          Q     What did you know about the UNO office that was

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1 located in Washington?

2 A Well, I don't know specifically how to answer that.  
3 In general terms, I knew there was a UNO office. The UNO  
4 office presumably was designed to try to increase the image  
5 and perception of the United Nicaraguan Opposition in  
6 Washington, in the United States. I don't think it did a  
7 particularly good job, but that was its mission.

8 I know from time to time the head of it would  
9 make various statements to try to facilitate access of some of  
10 the UNO personnel, access to people in Washington.

11 Let me start the sentence again. The UNO office  
12 would try to facilitate meetings for UNO personnel when  
13 they came to Washington.

14 Q Were you aware that Ollie North was involved in  
15 seeking funds to support that office?

16 A Not specifically, although I was aware of the fact  
17 the UNO office was suffering from a lack of finance.

18 Q How do you know that?

19 A Just simply it wasn't able to do very much,  
20 had a restricted budget as best I could tell and there may  
21 have been some discussion about a need to see if there is  
22 some way if some private funding were available for this  
23 in an informational mode to help support the circulation of  
24 information about UNO.

25 I have no specifics on it. It was a general

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1 statement. I have no knowledge of whether anybody actually  
2 went out to try to find funds and whether any funds were  
3 found.

4 Q Was there a discussion -- did that discussion take  
5 place in your office?

6 A No. I am not sure if it was my office or someplace.  
7 I do know there was a concern that the UNO office was very  
8 inadequate and very poorly funded.

9 Q Who was involved in that discussion?

10 A I don't recall. Might have been Jonathan Miller.  
11 Might have been Ollie North. Might have been Otto Reich  
12 because all of us were concerned about the ability <sup>of</sup> ~~for~~ the  
13 Nicaraguans to be able to speak for themselves, and if the  
14 office had no funds, it would not be possible to be able to  
15 make their case.

16 Q Did Bob Kagen ever indicate to you that he had  
17 anything to do with providing funding for the UNO office?

18 A He did not indicate that to me.

19 Q Were you aware that he was involved in any way  
20 in seeking funding for the UNO office?

21 A No, I was not.

22 MR. OLIVER: I would like to ask the reporter to  
23 mark this as Raymond Exhibit number 21. It is a memorandum  
24 dated -- has everybody got one?

25 (Raymond Exhibit 21 was marked for identification.)

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1 BY MR. OLIVER:

2 Q This is going back to the 1983 period,  
3 Mr. Raymond, when you were still the head of the intelligence  
4 unit in the White House prior to your resignation from the  
5 CIA.

6 This is a memorandum from you to William Clark  
7 through Charles P. Tyson dated March 18, 1983. Its committee  
8 identification number N-30865. Is that your signature,  
9 Mr. Raymond?

10 A Yes, it is.

11 Q Do you remember drafting this document?

12 A Yes, I do.

13 MR. McGRATH: At this point I would like to ask  
14 counsel if there is anything in this document that relates to  
15 the matters that were within the jurisdiction of the committee

16 MR. OLIVER: This relates to private fund raising  
17 and the purposes of building democracies worldwide and it is  
18 one of the documents that refers to the follow-up of the  
19 presidential speech that took place in June of 1982. It  
20 pertains to Peter Daly, who was involved in the programs  
21 related to Central America. It has in it a number of people  
22 who Mr. Raymond has referred to earlier in his deposition,  
23 particularly in addition to Mr. Daly, Mr. Robert Evans,  
24 John Kluge, Carl Lindner, and Hakim Maitre.

25 One of the discussions here is about the

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1 democracy's initiative, and the need to build stronger private  
2 institutions so I think it is relevant.

3 MR. OLMSTED: Can we go off the record for a moment?  
4 (Discussion off the record.)

5 MR. OLIVER: We are having a discussion about  
6 relevancy with Mr. McGrath.

7 Mr. McGrath has indicated he is going to object on  
8 the grounds of relevancy. I have indicated --

9 MR. McGRATH: I would like to make a point.

10 MR. OLIVER: Please.

11 MR. McGRATH: I said I would object if there was  
12 not some tie-in between matters discussed in here and the  
13 witness' testimony that those subject matters relate to  
14 matters under the committee's jurisdiction.

15 MR. OLIVER: Mr. McGrath, let me indicate that if  
16 you have an objection on those grounds, and make your point,  
17 if I believe you to be correct, I will either rephrase the  
18 question or withdraw the document or go on to the next  
19 subject.

20 But if I believe it to be relevant on the basis of  
21 my examination of the document, I will ask the question and  
22 you may instruct the witness not to answer. But I think  
23 it is important for the record at this point for us to be  
24 clear in what capacity you are here, whether you are here  
25 representing the witness to protect his constitutional rights,

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1 or whether you are here in some other capacity representing  
2 some other entity. I would like for the record for you to  
3 indicate to us what capacity you and your colleague are here  
4 and what your representation is.

5 MR. McGRATH: We represent the individual in his  
6 official capacity.

7 MR. OLIVER: You do not represent the Government  
8 of the United States in this deposition; is that correct?

9 MR. BUCK: Wait a second.

10 Let me interrupt just for a second.

11 I don't think counsel is under oath at this point  
12 and I am not sure we can have an examination of the counsel or  
13 just what capacity. If you want to ask the witness what  
14 capacity his counsel is in, that is one question, but  
15 I have a problem with questioning the counsel. He made a  
16 statement under what capacity he is here and I think the  
17 statement should stand by itself.

18 MR. OLIVER: Mr. McGrath, I would like to repeat,  
19 you are not representing the United States Government. You  
20 are here representing this witness in his individual  
21 capacity; is that correct?

22 MR. McGRATH: I have previously stated we  
23 represent the individual in his official capacity.

24 MR. OLIVER: May I ask you whether or not your  
25 responsibilities in this deposition and after this deposition

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1 extend to discussing this deposition with anyone in the  
2 White House or any other government officials who are not in  
3 a position of attorney-client with this witness?

4 MR. BUCK: My same objection. I don't know --

5 MR. OLMSTED: I don't think we have to answer  
6 that question. Whether or not we have an attorney-client  
7 privilege with Mr. Raymond and he chooses to allow us to  
8 speak with other people is also within our attorney-client  
9 privilege with Mr. Raymond. You can ask the question, but  
10 we can politely refuse not to respond.

11 MR. OLIVER: I am trying to determine in what  
12 capacity you are here. This is highly unusual. You may  
13 be familiar with the rules of the Congress and the rules of  
14 the House of Representatives that witnesses may have counsel  
15 present for the purpose of protecting their constitutional  
16 rights, but it is highly unusual to have attorneys present  
17 who are not there solely in the capacity of representing  
18 the witness' personal constitutional rights.

19 MR. BUCK: This is not the first time that witnesses  
20 have been represented by government attorneys and will not,  
21 undoubtedly, be the last time. I don't think it is highly  
22 unusual that Mr. Raymond is represented by attorneys from an  
23 agency from which he worked prior and which is relevant to  
24 this investigation.

25 MR. OLIVER: I am just trying to determine whether

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1 or not you are here in more than one capacity, counsel.

2 MR. McGRATH: I believe the manner in which I have  
3 answered that covers your question. We represent the  
4 individual in his official capacity.

5 MR. OLIVER: Let me read to you from the rules for  
6 Mr. Buck's edification. Rule 6 of the Select Committee to  
7 Investigate Covert Arms Transactions with Iran states,  
8 "Personal counsel, retained by any witness and accompanying  
9 such witness, shall be permitted to be present during the  
10 testimony of such witness at any public or executive  
11 hearing and to advise such witness while he is testifying on  
12 his legal rights.

13 "The presiding member may require that the witness  
14 not be accompanied by anyone except such personal counsel."

15 What I am trying to determine is whether or not you  
16 are here in any other capacity other than personal counsel  
17 for this witness.

18 MR. McGRATH: I have answered the capacity in which  
19 we represent Mr. Raymond. We represent Mr. Raymond as an  
20 individual in his official capacity.

21 MR. OLMSTED: All of this, by the way, has been  
22 previously discussed and worked out as among, I gather,  
23 the committees and each government agency from which  
24 witnesses have testified. Rather than going over old  
25 territory, I think what fomented this discussion originally

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1 was our concern that this deposition, which is now in its,  
2 I guess, third day, was going to go back into issues from  
3 1983, which we can see no connection and if you can,  
4 then perhaps focusing on that connection we will have no  
5 objection. I guess what we were trying to suggest is that  
6 this deposition could be -- rather than going into  
7 everything having to do with 1983 --

8 MR. OLIVER: Counsel, I presume you have been  
9 provided with a copy of the rules, and the White House has  
10 had this for some time and you are familiar with the rules.

11 I would like to read into the record Rule 7,  
12 pertaining to affidavits and depositions, which I assume  
13 you are familiar with.

14 I would like to have it on the record.

15 "Witnesses may be accompanied at a deposition  
16 by personal counsel to advise them of their rights subject  
17 to the provisions of Rule 64, 65, 66 and 67 hereof. Absent  
18 special permission or instructions from the Chairman, no  
19 one may be present in depositions except Members, staff  
20 designated by the Chairman, and the official reporter, the  
21 witness and any personal counsel. Observers or counsel for  
22 other persons or for the agencies under investigation may  
23 not attend."

24 MR. McGRATH: I would like to note for the record  
25 that I accompanied Mr. Raymond to an interview by members

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1 of this committee last April; that with the full knowledge  
2 and awareness of the counsel present here today, I was  
3 with Mr. Raymond at his deposition approximately two weeks  
4 ago and that with the same members present yesterday I  
5 accompanied Mr. Raymond to the second part of this  
6 interview or this deposition, excuse me, and that under the  
7 same conditions we accompanied Mr. Raymond to this deposition  
8 beginning today.

9 MR. BUCK: If there is an objection to White House  
10 counsel being present, perhaps we should adjourn this  
11 deposition for three or four weeks so that Mr. Raymond has  
12 time to get his own attorney and has time to include that  
13 attorney in the affairs and let that attorney gain the  
14 knowledge with which that attorney needs to represent  
15 Mr. Raymond's interests.

16 MR. OLIVER: Thank you, Mr. Buck. That is  
17 consistent with your usual contributions to these depositions

18 MR. BUCK: I just want to be fair to Mr. Raymond.

19 MR. OLIVER: I do not object to your presence,  
20 counsel. I am just trying to determine when you raise an  
21 objection, whether you are raising that objection on the basis  
22 as his personal counsel or in another capacity. I realize  
23 that this has occurred on other occasions. I find it highly  
24 unusual and I would not have raised it had it not been for  
25 the discussion we had about your objection to the relevancy

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1 of a particular document that Mr. Raymond signed.

2 MR. McGRATH: The objection is Mr. Raymond should  
3 not be asked to comment upon matters that are not within the  
4 committee's jurisdiction. The only reason for raising the  
5 possibility of an objection on my part was that Mr. Raymond  
6 should not be forced to answer questions which are beyond the  
7 committee's jurisdiction.

8 MR. OLIVER: I understand that and I am perfectly  
9 willing to entertain those objections and I certainly hope  
10 you will object if that is the case. But in the case of this  
11 document, I think that trying to draw a line that this document  
12 is outside the relevancy is such a narrow construction that I  
13 am concerned about on whose behalf you are asserting that  
14 relevancy and that is why I asked what your capacity here  
15 was.

16 I think I have generally established that. I would  
17 like to discuss this document, counsel, and to ask questions  
18 about it. Do you have any objection?

19 MR. McGRATH: Proceed. I was just raising the  
20 point that that is an issue that I have a concern about and  
21 I just wanted you to be aware of it before we got into a  
22 discussion of this document.

23 MR. OLIVER: Thank you.

24 BY MR. OLIVER:

25 Q Mr. Raymond, in the first sentence of the

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1 second paragraph of this document it starts of with, "This  
2 will be our first session with donors and Charles has  
3 focused this meeting specifically on our needs [REDACTED]  
4 What did you mean by this sentence?

5 Was this -- what were these people donors to?

6 MR. BUCK: I am going to object to the question  
7 unless they were donors to Central America. I am going to  
8 ask the witness not to answer the question, not because I  
9 represent the witness' interest, but because I represent  
10 the minority's interest and their interest in the integrity  
11 of this investigation.

12 Unless Mr. Oliver can show direct relevance to this  
13 investigation, I am going to ask the witness not to answer  
14 until we have a ruling by the Chairman.

15 MR. OLIVER: Would you please answer the question,  
16 Mr. Raymond?

17 THE WITNESS: There was nothing involved with  
18 Central America in this meeting.

19 BY MR. OLIVER:

20 Q I understand that. But it indicates that this  
21 be the first session with donors and that this meeting  
22 specifically focuses on our needs [REDACTED] it leads me to  
23 believe there might be needs elsewhere that these donors  
24 might be involved with. Did you contemplate that you would  
25 have some need elsewhere other than [REDACTED] and that this

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1 would be the first session with these people and that  
2 subsequent sessions might focus on your needs elsewhere?

3 A Whatever may have been in my mind when I wrote the  
4 piece, the fact is that it was the only meeting that took  
5 place that I was involved in of this character that I can  
6 recall.

7 It was the only meeting involving Mr. Wick that I  
8 can recall.

9 Q Was the purpose of this meeting to get these  
10 people to donate money to something?

11 MR. BUCK: Objection. Same grounds.

12 MR. OLIVER: I would appreciate, counsel, if you  
13 would allow the witness' counsel to represent him and when it  
14 comes your turn to ask questions you may certainly do so,  
15 but this is going to be a long deposition which may take a  
16 long, long time if you continue to make such frivolous  
17 objections that have nothing to do with this deposition. We  
18 are already discussing this document.

19 The relevancy has already been conceded by the  
20 witness' counsel. We will proceed along much more  
21 expeditiously if you will allow the witness' counsel to give  
22 him advice.

23 MR. OLMSTED: If I could comment on one  
24 representation. The relevance of this document has not been  
25 conceded by any counsel. We have permitted questioning on

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1 this document because it is within the realm of imagination  
2 and zeal that a relevant question could be asked from this  
3 document. We have not objected to the questions because the  
4 answers have been specifically how this document may or may  
5 not relate to ~~the~~ issues that are involved in this  
6 investigation.

7 We have mentioned before we did not find this a  
8 relevant document, but it is conceivable a relevant question  
9 could be asked from it so we have not objected to it.

10 MR. BUCK: I want to make it clear to the  
11 ~~record~~ I am not objecting on the witness' behalf. I am  
12 objecting on behalf of the minority and if Mr. Oliver  
13 is suggesting that the minority has no interest in this  
14 investigation, I take exception with that objection.

15 MR. OLIVER: That was not the case, Mr. Buck.  
16 That was not what I stated. I want to allay your fears.

17 MR. McGRATH: If you might repeat the question.

18 MR. OLIVER: The question was whether or not these  
19 people were -- it was contemplated these people were going to  
20 donate money to projects and whether or not that is the case.

21 THE WITNESS: The discussion focused exclusively,  
22 as you know from the document, [REDACTED] There was no  
23 discussion of Central America, no contemplation of funding  
24 for Central America in any of this discussion.  
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1 BY MR. OLIVER:

2 Q On the talking points that are attached, I assume  
3 these are talking points in the big speech type.

4 A Right.

5 Q It says in the last paragraph on that page,  
6 "Charley Wick has led in Project Democracy and in near-term  
7 consensus building projects."

8 Is that the same Project Democracy that included  
9 activities related to Central America?

10 MR. McGRATH: I apologize, counsel. Which --

11 THE WITNESS: The Project Democracy referred to  
12 here is the roughly \$65<sup>2</sup>million program that was developed  
13 by the Administration in early 1983 and submitted as part of  
14 the budget in January, 1983, to submit to Congress, which would  
15 include funding for a wide range of activities, all of which  
16 were totally in the public domain and would be discussed  
17 with Congress.

18 It did include funding for something similar to  
19 the National Endowment for Democracy, which I don't believe  
20 had come into existence at that time and was a concept. It  
21 had been determined that USIA would be the lead agency in  
22 submitting that package to the Hill.

23 BY MR. OLIVER:

24 Q Did you draft these talking points?

25 A I believe so.

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1 Q On the last line of both the suggested talking  
2 points and what I guess is the final cut on the talking point  
3 it says, "I note Charley can do this. He has done pretty  
4 well for me raising funds in the past."

5 And then in the final cut it says, "I asked  
6 Charley to pull the group together to form nucleus support  
7 in private sector for programs critical to our efforts over-  
8 seas. Charley can do this. He has done well raising funds  
9 in the past."

10 What were you referring to raising funds in the  
11 past when you drafted these talking points?

12 MR. BUCK: I am going to object again to the  
13 question being overbroad and would ask the witness only to  
14 answer in regards to Central America.

15 THE WITNESS: To the best of my knowledge, that  
16 reference there had nothing to do with Central America.  
17 I believe he had been active in a presidential and  
18 congressional supported international youth program. That  
19 was one reference.

20 BY MR. OLIVER:

21 Q It had nothing to do with raising funds for the  
22 contras or for any of the private groups or private sector  
23 initiatives that had to do with building support for the  
24 Central American policy?

25 A Absolutely nothing to do with Central America.

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1 Q Thank you.

2 Mr. Raymond, I had asked you earlier how much  
3 time you devoted to public diplomacy as opposed to your other  
4 activities, previous responsibilities after you resigned or  
5 retired from the CIA the end of April, 1983. I wanted to  
6 ask you prior to your resigning from the CIA in 1982 and 1983,  
7 how much of your time did you devote to public diplomacy,  
8 public diplomacy activities while you were still head of the  
9 intelligence section of the National Security Council?

10 A You are speaking specifically of July 1982 to  
11 approximately <sup>xm</sup> June 1983?

12 Q Yes. I just want an approximation. I know you  
13 don't keep a time clock.

14 A I would say that starting initially in early  
15 July 1982, early in my tenure, it would be principally  
16 intelligence and it was a reversing trend. So by the time  
17 that I was ready to leave the intelligence group I was  
18 probably spending over 50 percent of my time on public  
19 diplomacy matters, a not unsurprising thing in the NSC,  
20 because, again, the labels mean very little.

21 The NSC utilizes its personnel as best they can  
22 and they do a lot of different things. But I would say over  
23 50 percent on public diplomacy by the time I was asked to  
24 head the public diplomacy directorate.

25 Q But you had indicated earlier that when you discussed

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1 going to the NSC with Bill Casey while you were still at the  
2 CIA that you made a speech to him about how you wanted to  
3 foster this public diplomacy initiative so that you and he  
4 agreed that that would be something that you could engage in.  
5 Is that correct?

6 A No, sir. I made that speech to Bill Clark.

7 Q You didn't make that speech to Mr. Casey?

8 A I discussed the matter with Bill Casey, that is  
9 correct, as I testified yesterday. But the basic point  
10 that I made was to Bill Clark because Bill Casey was not  
11 in a position to make a judgment as to how my time would be  
12 decided and divided in the National Security Council. That  
13 was a judgment for Mr. Clark.

14 Q But you did indicate to him that this was one of  
15 the reasons you wanted to go to the NSC and to participate in  
16 this job. Isn't that correct?

17 MR. OLMSTED: Which him?

18 MR. OLIVER: Bill Casey.

19 THE WITNESS: Yes. I indicated that to Mr. Casey,  
20 but he couldn't make any judgment as to how my time would be  
21 decided. I worked for Bill Clark.

22 BY MR. OLIVER:

23 Q But you indicated earlier Bill Casey was also  
24 interested in this whole public diplomacy area and, therefore  
25 was agreeable to, I believe -- I may be drawing conclusions --

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1 would it be your testimony Bill Clark, on the basis of your  
2 conversations with him, interested in the public diplomacy  
3 area, knowledgeable about your interest, knowledgeable about  
4 your desire to work at the White House to promote this  
5 idea and that he was informed about your activities from time  
6 to time in the public diplomacy area?

7 MR. BUCK: Which question are we going to ask of  
8 that?

9 MR. OLIVER: Let the witness decide.

10 THE WITNESS: You used the word "Bill Clark".

11 BY MR. OLIVER:

12 Q I meant Bill Casey. Thank you.

13 A As you say, counsellor, there are several questions.  
14 Mr. Casey has been or was interested in public diplomacy,  
15 I think, all his professional life. So this is not something  
16 that was directly related to his role as the Director of  
17 Central Intelligence. It related to his very essence. It  
18 is true that I discussed this with him.

19 It is true that he thought it was a good idea.

20 Q And did you keep him informed from time to time  
21 of what you were doing in the public diplomacy area?

22 A As I testified yesterday, there were weekly  
23 meetings involving Mr. Casey and Mr. Clark. Occasionally  
24 an item would come up in those meetings. I did not have any  
25 formal process of advising or informing Mr. Casey.

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1 I met with him perhaps every four or five months.  
2 It was not a regular process of meeting with Mr. Casey.

3 Q Did you keep Mr. Casey informed about the progress  
4 of your efforts to have LPD established in the Department of  
5 State?

6 A Not -- a response to your question would be  
7 negative. He was aware of our interest in establishing a  
8 LPD in the first instance. He was aware of the proposal  
9 to have former Senator Stone take that responsibility. He  
10 was aware of the possibility that Otto Reich might take that  
11 responsibility as a replacement for Senator Stone. But I  
12 was not in any way briefing him on a regular basis.

13 Q Did he approve of the appointment of Otto Reich?

14 A I don't recall specifically that. I know that  
15 <sup>Ambassador</sup> ~~Master~~ Kirkpatrick and Senator Stone were strong supporters  
16 of Otto Reich. I don't recall whether Mr. Casey even knew  
17 Otto Reich.

18 MR. OLIVER: I would like to ask the reporter to  
19 mark this as Raymond Exhibit 22.

20 (Raymond Exhibit 22 was marked for identification.)

21 THE WITNESS: Is there some specific --

22 BY MR. OLIVER:

23 Q Is that your signature on that document?

24 A Yes, sir.

25 Q Let the record indicate this is a weekly report

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1 from Walt Raymond, Jr., to William P. Clark, dated April 29,  
2 1983, and the committee identification number is N-3091.

3 Mr. Raymond, this document was written while you  
4 were still the head of the Intelligence Directorate; is that  
5 correct?

6 A Yes, sir.

7 Q In the last paragraph on the first page titled  
8 "Private Fund Raising" there is a reference to a  
9 presidential meeting with donors and the final sentence  
10 says "I believe the activist orientation of the key donors  
11 suggest that grants that they give will have a sharp cutting  
12 edge that will be directed to both [REDACTED] and American  
13 audiences. I will provide you details as they become  
14 available."

15 Could you tell me what you meant by the activist  
16 orientation of the key donors in that last sentence?

17 MR. BUCK: I am going to restate my previous  
18 objection and ask the witness only to answer in regard to  
19 Central America. If this is a [REDACTED] matter, I am going  
20 to ask the witness not to answer that question.

21 MR. OLIVER: Let the record indicate that it does  
22 not -- this is a weekly report. It does not indicate in that  
23 paragraph any particular region other than both [REDACTED]  
24 and American audiences. It also includes the name of  
25 Roy Godson who has been well established in this investigation

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1 raised private funds at the request of Oliver North for  
2 the resistance in Nicaragua. I think that once again <sup>this</sup>  
3 frivolous objection which simply delays and frustrates the  
4 purpose of this deposition.

5 MR. BUCK: Roy Godson has not been shown to be  
6 relevant to this investigation during this time frame and  
7 to the best of my knowledge, anything Roy Godson said has  
8 not been released by this committee for public consumption.  
9 I am just warning the witness that we need not go into  
10 areas with private contributors that are outside of  
11 Central America.

12 If it is relevant to Central America, I  
13 certainly encourage the witness to answer.

14 MR. OLIVER: We have already discussed Roy Godson  
15 earlier in this deposition, Mr. Raymond, but that was not my  
16 question on this paragraph. I would like to ask you what  
17 you meant by this last sentence that we have already discussed  
18 and has been read into the record.

19 THE WITNESS: Well, first of all, there is no  
20 indication in here or in the facts that I am aware of that  
21 any of this dealt with any grants that involve Central  
22 America. The activist orientation of key donors is  
23 simply a characterization of people who have a history of  
24 being active political and public servants, political  
25 figures in public service.

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1 BY MR. OLIVER:

2 Q You refer in there to the third sentence in that  
3 paragraph that Ray Godson and Leo Churn have had several  
4 meetings with the private donors executive committee. What  
5 is that?

6 A Well, that is worth clarification. After the  
7 President had the general meeting with the group in the  
8 White House, there was a discussion of the concern that the  
9 President had about the need for private sector to be more  
10 active in international affairs.

11 This was a discussion that we covered yesterday  
12 in about 15 or 20 minutes of talk. The private group met  
13 separately and decided that they did think that there was a  
14 problem and they would like to see what they could do  
15 constructively. They did not want to be working with the  
16 United States Government.

17 They did not want to be responsive to the  
18 United States Government. They understood the need as  
19 articulated by the President and they said let us see what we  
20 can do and they went off and they created an executive  
21 committee of several people that would sit there and see  
22 what they could do on their own to deal with the  
23 problem and that was the end of it.

24 Now, they asked -- and this is not from the  
25 executive side, it is not from my side, it is not from the

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1 NSC side -- they asked whether Mr. Godson and Mr. Churn  
2 would perhaps meet with them periodically. That is their  
3 decision, their call and their follow-up action.

4 Q Was Roy Godson a consultant to the National  
5 Security Council at that time?

6 A I do not know his dates. I know later he was. I do  
7 not know if he was a consultant at that time.

8 Q Do you know whether or not he was a consultant to  
9 the National Security Council at any time when he had meeting  
10 with the private donors executive committee?

11 A I do not, because I do not know when he became a  
12 consultant to the NSC. This executive committee might say to  
13 the best of my knowledge -- and I never met with them -- to  
14 the best of my knowledge this executive committee met a couple  
15 of times in 1943. I do not believe it ever met after that.

16 Q How did you know about these meetings?

17 A I believe that I may have talked to both Leo Churn  
18 and Roy Godson.

19 Q For the record, could you identify Leo Churn?

20 A Leo Churn is the -- I want to get the title right.  
21 I think it is -- Leo Churn is a lawyer, a distinguished  
22 American -- active in a number of different programs. He  
23 has been very active in refugee relief, international  
24 refugee relief. He has, I think it is called, the Research  
25 Institute for which he is involved with.

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1 He is also a recipient of the President's Medal of  
2 Freedom.

3 Q Was he a member of --

4 A And he was also associated with Freedom House. He  
5 was a member of PFIAB, Vice Chair.

6 Q So at the time Roy Godson and Leo Churn had a  
7 governmental connection, Roy Godson was also, was he not, a  
8 consultant to PFIAB?

9 A I am not certain of that. I think so but I would  
10 have to -- that would have to be checked in the White House  
11 records.

12 Q PFIAB, for the record, is the President's  
13 Foreign Intelligence Advisory Board.

14 Who was on this private donors executive committee?

15 A My understanding was that it was [REDACTED]  
16 [REDACTED] and one more and I am not sure who the  
17 third one was, an American, but I never met with the group.  
18 As I said, it met twice and possibly more but it didn't meet  
19 any more than two or three times in the first part or during  
20 1983.

21 I don't know how long this went on. And that was  
22 it.

23 Q On the last paragraph of page 2 of this exhibit  
24 there is a reference to a PAO conference in Miami on May 2nd  
25 or 3rd. The last sentence says, "We will be discussing our

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1 overall needs in the region with particular attention to  
2 providing support to the President's program."

3 What were your overall needs in the region that you  
4 discussed at that meeting?

5 A As you can see, incidentally, it is April 29. I was  
6 already basically wearing my public diplomacy <sup>late</sup> ~~head~~. This  
7 was a very typical USIA-PAO conference where each PAO would --

8 Q For the record, I believe in April of 1983 you were  
9 still the head of the Intelligence Bureau?

10 A I said that. Let me correct myself here.

11 I did not attend this meeting. I looked at it.  
12 I did attend a PAO conference which is what I was describing  
13 as a very typical conference Latin American-wide in Miami in  
14 May, 1984, but not in 1983. I did not attend this meeting.  
15 My recollection of the agenda was that it was an overall  
16 discussion participated in by State Department and USIA  
17 people, of policy issues in the region and what USIA, PAOs,  
18 in their various host countries could do to facilitate the  
19 President's program.

20 That is really what you see is what you get  
21 there.

22 Q Mr. Raymond, you were involved in tasking public  
23 affairs officers, is it your testimony you were involved  
24 in tasking public affairs officers in Central American  
25 affairs while you were head of the Intelligence Directorate

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1 at the National Security Council?

2 A No. I didn't say that.

3 Q What was your relationship to PAOs in Central  
4 America while you were head of the Intelligence Directorate  
5 and still an employee of the CIA?

6 A There was no direct relationship. I mean, we were  
7 on an interagency basis, we were discussing Central  
8 American policy questions but there was no direct relation-  
9 ship.

10 MR. McGRATH: One point of clarification. I don't  
11 believe from the informal information we had yesterday that  
12 Mr. Raymond was still an employee of the Central  
13 Intelligence Agency on May 2 to 3.

14 MR. OLIVER: The memorandum we are referring to was  
15 written on April 29, counsel.

16 MR. McGRATH: I believe, if my recollection is  
17 correct, that the date of termination was April 25 or 26.  
18 Minor point.

19 MR. OLIVER: That was what he thought, but I  
20 think you are going to provide us with the initial documenta-  
21 tion of all that, isn't that correct? We had asked you to  
22 do that yesterday. Yesterday you gave us an informal  
23 recollection, and we would like very much if you would provide  
24 the documentation to the committee.

25 MR. McGRATH: We are trying to obtain the actual

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1 personnel records on that.

2 MR. OLIVER: You will provide us with the  
3 documentation on the representation that was made yesterday  
4 regarding the retirement date, official retirement date from  
5 the CIA of Mr. Raymond, the official date of his assumptions  
6 of his duties in the White House after his retirement when  
7 he became a full-time employee.

8 MR. OLMSTED: We will provide you with those  
9 dates if that is your question.

10 MR. OLIVER: Yes, yes. There was an informal  
11 telephone conversation yesterday and there is some confusion  
12 about this as to how many days there are in April,  
13 I think, at this point.

14 MR. OLMSTED: I understand.

15 MR. OLIVER: Could we take just a five-minute  
16 break?

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1 MR. OLIVER: Back on the record.

2 BY MR. OLIVER:

3 Q Mr. Raymond, we have been discussing private  
4 donors, persons who are referred to in these exhibits as  
5 private donors. Was part of your public diplomacy effort  
6 to secure and encourage private donors for projects related  
7 to public diplomacy?

8 A As stated earlier, I felt there was need for  
9 greater involvement by the private sector. To the best of  
10 my knowledge, no efforts that I was involved in involved  
11 Central America.

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Q I would like to ask the reporter to mark as Raymond Exhibit No. 23 three comments from Walter Raymond to William P. Clark dated May 18, 20 and 21, 1983.

The first one is the subject of Central America public diplomacy, bears committee identification 30921. The second one is a weekly report and bears the committee identification No. N-30915. And the third one is subject, "Central American public diplomacy," and bears the committee identification No. 30913.

(Raymond Deposition Exhibit No. 23 was marked for identification.)

BY MR. OLIVER:

Q I would like to ask you to examine these documents

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1 Mr. Raymond.

2 Mr. Raymond, is that your signature on those  
3 documents?

4 A Yes.

5 Q These documents were written during the period,  
6 I believe, you testified earlier, during which you were a  
7 consultant to the National Security Council, which was the  
8 period between your retirement at the end of April and your  
9 commission as special assistant to the President in charge  
10 of international communications, which I believe you indicated  
11 you had looked at yesterday morning, and was dated June 2nd,  
12 1983; is that correct?

13 A That is correct.

14 Q In the fifth paragraph of --

15 MR. OLMSTED: Just a moment.

16 THE WITNESS: Let me finish this last part.

17 MR. OLMSTED: Could we hold up?

18 MR. OLIVER: Would you like to take a moment to  
19 examine these documents?

20 MR. OLMSTED: Yes.

21 MR. OLIVER: We will take a two-minute break.

22 (Recess.)

23 THE WITNESS: Okay.

24 BY MR. OLIVER:

25 Q In the fifth paragraph of the first page --

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4

1 A The 18 May document?

2 Q Yes. We are going to talk about them in chrono-  
3 logical order.

4 You state that "our vulnerability is that neither  
5 Dick Stone nor State has done a particularly distinguished  
6 job in implementing a day-to-day public diplomacy strategy.  
7 Stone has worked on the big picture and not gotten into some  
8 of the details necessary to make the wheels turn. State,  
9 ARA, has been disinterested, incompetent, overworked, all  
10 of the above."

11 You talk about the <sup>contribution to</sup> ~~contras to~~ the daily efforts  
12 is striking. I'm referring to paragraph five.

13 Why did you feel that State, ARA, was disin-  
14 terested, incompetent, overworked, all of the above?

15 A No, it's interesting, a personal note, I read this  
16 quotation which I <sup>hadn't</sup> ~~haven't~~ recalled in the Jacksonville  
17 newspaper on Saturday and the APA release on Saturday. I  
18 hadn't realized it <sup>d</sup> ~~has~~ been declassified.

19 Q It may have been declassified. I don't know what  
20 has been declassified and what hasn't.

21 This document that we have in front of us has not  
22 been declassified. There may be a declassified version that  
23 has been made public, I'm not sure.

24 A Specifically I think that the issue about Dick  
25 Stone I would like to put in perspective. He was a

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1 singleton and what he was really talking about was the need  
2 to have a more energetic, more robust program, and it wasn't  
3 that he lacked any of the competence; he was a very fine  
4 person in that responsibility. I think that the question  
5 of State Department, ARA participation at that time was a  
6 deep concern in the White House about the degree of support  
7 that ARA was providing for the President's program.

8 Q The import of this memorandum, as I read it, is  
9 that you wanted to change the structure that was developing  
10 with Central American public diplomacy. Is that a fair  
11 assumption?

12 A Yes, but it reflects discussion that I had with  
13 the leadership of NSC, which were dissatisfied with the  
14 implementation of our Central American policy. So I was  
15 trying to identify that we had a problem also in the public  
16 diplomacy area.

17 Q In the next to last sentence on the first page,  
18 you state and I quote, "If you wanted to keep a discreet  
19 group looking at the covert action, it could be identified  
20 as the NSPG working group."

21 Was there an NSPG working group created subsequent  
22 to this memorandum?

23 A I do not recall. I was expressing a concern  
24 about the issue because I wanted to keep any covert dimension  
25 out of public diplomacy, but I realize there needed to be

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1 some command and control.

2       Subsequently, as you know, we know from history,  
3 a group known as RIG restricted was created. I do not know  
4 whether an NSPG working group was created or not, so I did not  
5 participate.

6       Q     You do not know whether or not an NSPG working  
7 group was ever created?

8       A     I do not know whether a formal group by that name  
9 came into being.

10       Q     You refer in the next section, which overlaps into  
11 the next page, "A working group meets under Craig Johnstone.  
12 Needs to be an effective working group" <sup>Q</sup> what group are  
13 you referring to?

14       A     Well, I was referring simply to the existing  
15 policy structure at the working level, which was a group  
16 which I'm calling the working group under the deputy assistant  
17 secretary for Latin America, Craig Johnstone.

18             Again, my concern --

19       Q     Who was Craig Johnstone?

20       A     Deputy assistant secretary of State for Latin  
21 America, with principal responsibility for Central America.

22       Q     Was Craig Johnstone employed at CIA?

23       A     No, he was a State Department Foreign Service  
24 Officer, now an ambassador overseas.

25       Q     In the next paragraph, on page 2, you refer to a

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1 Central American working group. Was that the Central American  
2 working group which met in your office?

3 A No. This is not a very elegantly phrased sentence  
4 but I believe it refers to the same subject as the previous  
5 paragraph where I felt that we needed to have an effective,  
6 more effective coordinated approach to policy, and I state  
7 in here that a public diplomacy coordinator should be in  
8 such a group because public diplomacy takes its lead from  
9 the policy.

10 Q In the last sentence of that paragraph, you say,  
11 "Failing to act on this will mean our international program  
12 will be inadequate and our domestic program will go by  
13 default to the outreach committee."

14 What was the outreach committee?

15 A Faith Whittlesey's group.

16 Q It was your recommendation that domestic programs  
17 should not go by default to that committee?

18 A As I believe we discussed in the open<sup>ing</sup> hearings  
19 a few weeks ago, I felt that, and Judge Clark, Bill Clark  
20 felt very strongly that there should be some kind of coopera-  
21 tion between the foreign policy process which we were urging  
22 under state or the White House, but strengthened, and the  
23 domestic program Faith Whittlesey -- it shouldn't be totally  
24 separate tracks.

25 Q So in effect what you are saying here is that you

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1 want this effort to be coordinated in the White House but  
2 not by Faith Whittlesey's outreach committee; is that  
3 correct?

4 A The outreach group as a support element doesn't  
5 make foreign policy. I wanted to have the foreign policy  
6 community in charge of foreign policy for Central America.

7 Q And the person who you wanted to be in charge of  
8 this was Otto Reich; is that correct?

9 A Otto Reich would only be in charge of public  
10 diplomacy dimension, information programs.

11 Q But your recommendation in there that he be given  
12 a White House cache in order to enhance his clout over these  
13 elements; is that correct?

14 A That is correct.

15 Q You recommended in there that to Bill Clark, that he  
16 meet Reich, seek George Shultz's concurrence and issue a state-  
17 ment similar to that involving Stone. Did he meet Reich?

18 A Yes.

19 Q Did he seek George Shultz's concurrence in Reich's  
20 appointment?

21 A Yes.

22 Q And did George Shultz resist Reich's appointment?

23 A There was discussion. There was review of the  
24 proposed announcement. My recollection is that the  
25 Secretary made some personal changes in the announcement and

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1 then he concurred.

2 Q Did he send a memorandum to the President indicating  
3 that he wanted to run this activity through the assistant  
4 secretary of State and with career Foreign Service Officers?

5 A I believe that, I haven't reread my testimony, but  
6 I believe you showed me a memorandum to that effect.

7 Q Yes, that is correct.

8 A In early September. Yes.

9 Q Actually it was late May.

10 A I mean --

11 Q I'm trying not to go back to some of the things  
12 we already discussed.

13 A My answer to the question is I don't know whether  
14 I had -- I had not seen that memo before you showed it to me  
15 in our first deposition. But the President did to the best  
16 of my recollection decide in favor of the final text which  
17 announced the appointment of Ambassador Reich, but he also  
18 made certain that there were clear responsibilities into that  
19 process for the Department of State. It was a question of  
20 working very closely with the Department of State to implement  
21 the program.

22 Q On the third page you have four elements there that  
23 you have asked Mr. Clark to make a decision on. Do you recall  
24 whether or not he returned this to you with markings in those  
25 boxes on those lines?

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1 MR. McGRATH: Do you have a copy of the document  
2 which indicates whether he did or didn't?

3 MR. OLIVER: I'm asking him whether he remembers.

4 THE WITNESS: My answer is I do not remember that,  
5 but it's my recollection that the first three decision  
6 blocks were carried out. Obviously the third had some  
7 interim stages. I don't know what happened to the fourth.

8 BY MR. OLIVER:

9 Q You indicate that Al Sapia-Bosch and Bob Sims  
10 concur. Was Al Sapia-Bosch in the public diplomacy?

11 A He was the senior Latin American official at that  
12 time in NSC.

13 Q Bob Sims?

14 A Public affairs press official for the NSC.

15 Q Is the last page on this exhibit a memorandum for  
16 Shultz that you drafted for Mr. Clark?

17 A If you will let me, I have to read this. I did  
18 not catch this in my previous reading.

19 Yes, I believe I drafted it in coordination with Mr.  
20 Bosch and Mr. Sims. I do not know whether this is a draft  
21 or whether this is the document that was taken over by  
22 Mr. Clark and discussed with Mr. Shultz. I have no evidence  
23 here to indicate whether this is the final version.

24 Q Did all the things that are recommended in here  
25 happen?

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1 A No, I repeat, I can't speak to the question of the  
 2 first paragraph although it was finally resolved in terms of  
 3 how to centralize policy. In shifting to my new responsi-  
 4 bilities, I was not involved in day-to-day policy. I believe  
 5 some adjustments were made, one, in terms of public diplomacy.  
 6 This is in the ball park of what happened, I believe,  
 7 although there were some modifications made after discussions  
 8 with the Secretary.

9 So I mean the document can be provided, but I  
 10 think a line in/line out analysis will show some adjustments  
 11 were made after Mr. Clark and Mr. Shultz talked and a revised  
 12 version went forward. I can't be certain about that.

13 Q Once again in the last sentence of the first  
 14 paragraph of that memorandum you prepared for Clark to send  
 15 to Shultz, it says, "Special meetings devoted to covert  
 16 action items would be discussed in NSPG working group  
 17 under NSC work chairmanship." Did that happen?

18 A As I indicated before, I don't know whether NSPG  
 19 working group was established. I cannot answer definitively.

20 Q In the next memorandum dated May 20, '83, there is  
 21 a sentence in the end of the first paragraph, "Private  
 22 representatives at the second meeting raised the question  
 23 of establishing a coalition for democratic Central America.  
 24 This would be helpful if it happens."

25 What was your involvement in helping to establish

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1 that?

2 A Well, I think I documented that in the open<sup>ing</sup>  
3 testimony. We had been receiving a wide range of suggestions  
4 to this effect identifying this issue with Bill Clark. I made  
5 the point that it would be helpful if there were a broad  
6 bipartisan group that could start identifying the issue<sup>of</sup>  
7 Central America, one which was very little understood in  
8 the United States.

9 Q Did you assist in helping to establish that?

10 A Such a group, to the best of my knowledge, was  
11 never formed.

12 Q In the next to last sentence on the next paragraph  
13 you indicate that Faith Whittlesey is quite prepared to  
14 depend on us, NSC, State, for policy correctness." Does  
15 that indicate she's going to take her direction from you,  
16 I assume you mean?

17 A NSC. I think that the antecedent is really the  
18 memo between Bill Clark and Mr. Baker where he discusses  
19 the outreach group and the relationship, some of the  
20 relationships with the public diplomacy. Our effort was  
21 to try to see if the public<sup>diplomacy</sup> coordinator worked  
22 closely with -- it does not mean to say it always happened.

23 Q In the last paragraph of private<sup>in</sup> funding effort,  
24 I have provided Jeff Davis list of funding programs that  
25 require private-sector support. Did you provide Jeff Davis

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1 with such a list?

2 MR. BUCK: I'm going to object to the question.

3 All of the top part of the documents is relevant. I don't  
4 believe anything in the paragraph entitled Private Funding  
5 Effort has to do with this investigation, and I'll ask the  
6 witness only to answer within the scope of this investigation.

7 BY MR. OLIVER:

8 Q Did you provide Jeff Davis --

9 A I provided a list, to the best of my recollection.  
10 It did not include any items on Central America.

11 Q Have you provided that list to this committee?  
12 Has that list been provided to this committee, counsel, to  
13 your knowledge?

14 MR. McGRATH: I do not know.

15 BY MR. OLIVER:

16 Q Do you still have a copy of the list in your files,  
17 Mr. Raymond?

18 (Witness conferring with counsel.)

19 MR. OLMSSED: The question is what?

20 MR. OLIVER: My question was whether or not this  
21 committee had provided, the question to Mr. Raymond's  
22 counsel, whether or not that list had been provided to this  
23 committee, to their knowledge, and second question, whether  
24 Mr. Reich still had a copy of that, Mr. Raymond still had a  
25 copy of that list.

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1 THE WITNESS: We are trying to identify what the  
2 list is.

3 I don't know whether it's been provided.

4 MR. OLMSTED: We don't know whether it's been  
5 provided.

6 THE WITNESS: We can search it.

7 My recollection of some of the ideas are 95  
8 percent [REDACTED] there was one item something to do with  
9 Salvador students. I don't have this specifically in my  
10 head. If I could find the list and reread it, I could tell  
11 you, but I think we were trying to bring a group of young  
12 Salvador students up in the early '83, who were very much  
13 typical kind of youth exchange where we could try to encourage  
14 more young Salvadorans to be exposed to the democratic  
15 process.

16 BY MR. OLIVER:

17 Q Who is Jeff Davis?

18 A Jeff Davis is a businessman in Seattle, Washington,  
19 who had contacts with the Reagan administration when the  
20 President was governor in California, and he in a sense  
21 approached Bill Clark, who was a friend, and asked Bill Clark,  
22 chatted with him and that was, I met him subsequently.

23 Q Did he ask you to provide Jeff Davis with this  
24 list, Bill Clark?

25 A I don't --

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1 Q Did Bill Clark ask you?

2 A I don't recall that. I imagine so. I wasn't just  
3 doing this on my own.

4 Q Did Jeff Davis, to your knowledge, help raise  
5 funds for this private-sector support?

6 A No funds were raised by Jeff Davis. No funds were  
7 raised by Jeff Davis for Central America.

8 Q Did he assist anyone else in raising funds for  
9 this private-sector support, or did he ask anyone else to  
10 raise funds for this private-sector support?

11 A No conversations that Jeff Davis had resulted in  
12 the raising of any funds for any cause that I'm aware of.

13 Q But you are aware that he had a conversation in  
14 which he was attempting to secure funding, private funding  
15 for these?

16 A He may have had conversations, but no funds were  
17 raised. And with the single exception of Salvador, none of  
18 the discussions of programs dealt with Central America.

19 Q Why do you say he may have had conversations?

20 A He indicated that he had talked to a couple of  
21 people -- I don't know their names -- who seemed to be  
22 interested in the democracy program, but, as I stated earlier,  
23 a lot of this I'm afraid was -- scratch that -- a lot of  
24 this was rhetoric.

25

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1 Q The next or the third sentence -- next sentence--  
2 indicated he was enthusiastic about the package and  
3 proceeding forward. Your recollection is that he may have  
4 been enthusiastic in proceeding forward, but he wasn't  
5 very successful in his efforts.

6 A Unfortunately, that is correct.

7 Q Next sentence, Roy Godson reported he met early  
8 this week with donor. Did Roy Godson report to you?

9 A He did not report to me in any command or  
10 control. He did as this cable, as this  
11 memo states, advise me of that meeting, which is the  
12 follow-up to the meeting we discussed a while back.

13 Q To your knowledge, did any of the private donors  
14 that Roy Godson met with ever donate any funds that were  
15 related in any way to central including supporting,  
16 including trying to influence public opinion to  
17 support the President's policies in Central America?

18 A There are several questions there.

19 Q The main thing is, did any of the donors that  
20 Roy Godson met with, to your knowledge, ever raise any  
21 money that was related to Central America? I was trying  
22 to define--

23 A I think the answer is that they did not raise any  
24 money that directly relates to Central America.

25 Q Did they raise any money that related to

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1 influencing [REDACTED] or American public opinion on Central  
2 America.

3 A I think they were very concerned about [REDACTED]  
4 and American public opinion on a wide range of issues.  
5 I think their hope was they could get more balanced  
6 press coverage on committee issues, one of which would be  
7 Central America.

8 Q Did they raise any funds for that purpose, to  
9 your knowledge?

10 A To my knowledge they did not.  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]

14 Q Did Roy Godson provide you with the details of  
15 any of these programs?

16 A No, that is about all I have. And, it is about  
17 all I received at that time, too.

18 Q Let's move on to the documents, May 21, which  
19 is already part of the exhibit here. This is your third  
20 memo over a period of four days to Mr. Clark and this  
21 follows the subject matter that was discussed in your  
22 May 18 memo which you indicate that we have got to bring  
23 this whole effort into organizational harmony, changes  
24 are needed in how we do business and you made recommendations.

25 You indicated in the first sentence we need to put

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1 this program together immediately. What was the urgency  
2 of this new structure to be put in place?

3 A Well, it was a period of considerable activities  
4 in the whole Central American area. We had to be more  
5 effective not only in the way we were formulating and  
6 implementing policy as we discussed earlier, but also in  
7 the way we were formulating and implementing the public  
8 diplomacy strategy. This includes, as you know -- does  
9 anybody recall the dates of the Kissinger Commission?

10 Q Were they involved in this?

11 A No, they were not, but I mean it was a whole  
12 question of identifying a broad strategy for Central  
13 America. We were as concerned in our public diplomacy  
14 efforts. We were as concerned with the Salvadore question,  
15 as we were with Nicaragua. We were also concerned to  
16 have our policy understood more effectively in Europe,  
17 in Latin America and in the United States, so there was  
18 need to get our collective act together.

19 That is what it called for.

20 Q In the first sentence of the third paragraph you  
21 indicate coordinators must be -- at this time must be  
22 separate from ARA. Why?

23 A To be more effective.

24 Q You recommended that it should be wired to the  
25 SPG structure, but in this case you recommended he

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1 initially be identified as a special~~ly~~ assistant secretary  
 2 to Secretary Shultz, working primarily for ~~E~~agleburger.  
 3 This should ensure State support.

4 Were you indicating you wanted him to report  
 5 to NSC although on organization charts he would likely be  
 6 reporting to somebody in State?

7 A All of this in this area-- what was in Walt  
 8 Raymond's mind at any given date. The ultimate resolution  
 9 of this was to have discussions between Secretary Shultz  
 10 and Bill Clark, and it resulted in a formal memo that  
 11 went in the NSC, to State, I think, in which Clark signed  
 12 for the President.

13 I think it established the basic policy I wanted  
 14 to try to mobilize the whole community. However, I  
 15 didn't want to put any kind of organizational structure  
 16 together which would not include the Department of State.  
 17 At the same time, more resources were involved. We wanted  
 18 to have it as a national strategy national policy.

19 Q You indicated in the last sentence of the  
 20 second paragraph on the first page, public~~a~~ diplomacy  
 21 coordinators will orchestrate the over~~a~~ll USG effort  
 22 coordinating closely with Faith and simultaneously driving  
 23 forward.

24 Ultimately, did the public~~a~~ diplomacy coordinator  
 25 orchestrate the overall USG effort as you recommended?

A He tried. I think he did a good job.

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1 Q So basically, these memos of May 18 and May 21,  
2 where you recommended this structure of Otto Reich and LPD  
3 and so on, came to pass.

4 A Yes.

5 Q Is that correct.

6 A Yes.

7 Q I would like to ask the reporter to mark this  
8 document as Walt Raymond Exhibit Number 24.

9 (The document was marked as Walt Raymond Exhibit  
10 Number 24 for identification.)

11 BY MR. OLIVER:

12 Q This is a document which is a memo to Honorable  
13 William Casey, dated July 13, 1983. The subject is  
14 "Increase Funding Level for Nicaraguan Covert Action  
15 Program," signed by William C. Clark for the President  
16 and the identification number is N43661, continuing  
17 through N43685.

18 Mr. Raymond, this is a memo of notification  
19 about increased funding level for Nicaraguan covert action  
20 program, and if you will turn to the seventh, I believe,  
21 or eighth page with a memo for you dated July 6, 1983,  
22 there is a memo for you. The subject is, "Request for  
23 Increased Funding Level for Nicaragua Covert Action  
24 Program," signed by Dennis Ruff, and it seems to be  
25 notification to you that the acting Secretary of State

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1 has approved this.

2 This is more than two months after your retirement  
3 from the CIA, after you had assumed your new job of  
4 International Communications Director. Why were you being  
5 notified of the request for this increased funding level  
6 for covert action?

7 A The memo was misaddressed. The coordinator for  
8 Intelligence was Ken de Graffenreid. I don't even recall  
9 seeing this memo. If I did, I obviously immediately gave  
10 it to Mr. de Graffenreid. As you can see from all the  
11 documents which surround this, the interstaffing of this  
12 was done by Mr. de Graffenreid, not by myself. My  
13 name does not appear to my knowledge. I am shown it  
14 does appear in one place.

15 Q Yes, it does.

16 A I stand corrected in terms of that.

17 Q I believe that memo to you is dated July 6. Your  
18 name appears later in with a copy, copied July 13, 1983,  
19 the memo from de Graffenreid and North to McFarlane and not  
20 only does your name appear at the copy, it says, "in  
21 connection with the [REDACTED] Nicaragua Walt Raymond has  
22 suggested you might want to call Ken Robinson," and so  
23 on.

24 A Right. I accept your point. I obviously  
25 was aware of the [REDACTED] I don't recall, frankly,  
discussing the [REDACTED] but I accept the document.

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1 the accuracy of them, but I think my original point is  
2 correct; that it was a mistake from the Department of  
3 State to have sent the document to me, because  
4 I was not involved in the active staffing of the package.  
5 As we discussed last session, I had been involved in some  
6 aspects of this congressional strategy and as you can see  
7 my remarks here quoted by de Graffenreid in memo not  
8 coordinated with me, was my suggestion to him on the basis  
9 of my tracking of the congressional question, as you saw  
10 in the separate traffic, something he might consider.

11 Q Well, if you look at page 4 of the last memo  
12 in this exhibit, which is a memo from Ken de Graffenreid,  
13 Al Sapia-Bosch and Oliver North to Bill Clark, and it  
14 relates to this memo of notification on Nicaraguan covert  
15 action funding, and it makes some recommendations that  
16 Clark brief the President; that he sign the attached memo  
17 informing -- then at the bottom it says, "Walt Raymond  
18 concurs."

19 A I don't remember seeing the document, and my  
20 signature is not on it.

21 Q On the first page is that Mr. de Graffenreid's  
22 signature and Mr. Al Sapia-Bosch's signature?

23 A Yes, sir it looks like it.

24 Q To your knowledge.

25 A Yes, all three.

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1 Q Why would they put Walt Raymond concurs in a memo  
2 they sent forward if it wasn't the case?

3 A Documents are typed on the presumption of how they  
4 are going to be handled. But that doesn't necessarily  
5 mean that has happened. I think it is important there is  
6 no signature on here.

7 Q Well, Mr. de Graffenreid had been previous  
8 Deputy at the Intelligence Directorate, was your successor  
9 as head of that component in the NSC, was he not?

10 A Yes.

11 Q And Al Sapia-Bosch was working in the Central  
12 American Division, I believe, of NSC, is that correct?

13 A Yes.

14 Q Oliver North was in the political, military  
15 directorate, I believe that is correct-- well, they all  
16 knew you no longer were involved with the CIA and you had  
17 a different job.

18 A Yes.

19 MR. MCGRATH: I would just like to make the point  
20 that Mr. Oliver keeps indicating that previous employment  
21 or detailed employment at NSC by Mr. Raymond has some  
22 relevance to his responsibilities at NSC, and I am not  
23 sure that that has been testified to at this deposition.

24 I would request that he refrain from using that  
25 as a determinant whether Mr. Raymond was involved in

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1 certain activities or not.

2 MR. OLIVER: I think, counsel, that the documents  
3 which have been put into evidence in this deposition or  
4 have been used as exhibits indicate that Mr. Raymond was  
5 involved throughout this period of time, in both  
6 intelligence activities, and activities related to the  
7 CIA, as well as activities related to Central America  
8 public diplomacy, and this particular covert action finding  
9 that we are talking about relate directly to Nicaragua, and  
10 I am not putting his name on these pieces of paper.

11 I am just asking him why his name appears there.

12 MR. MCGRATH: Counsel misconstrues my point.  
13 My only point is that in your question about his involvement  
14 in these activities, the fact that he was formerly a  
15 member of the Central Intelligence Agency, which you keep  
16 predicating the questions on, does not have  
17 relevance to the issue which we are discussing.

18 MR. OLIVER: I am sorry, counsel, I am referring  
19 to his relationship with the agency while he was at the  
20 NSC from 1982 until the spring of 1983. He was still  
21 an employee of CIA.

22 MR. MCGRATH: That is exactly my point. There is  
23 nothing here to indicate the fact that the relationship  
24 that existed had anything to do with his responsibilities  
25 as an intelligence director at NSC.

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1 MR. OLIVER: That is why I am asking the  
2 question as to why his name appears on covert action  
3 memorandum related to Nicaragua when he is no longer  
4 associated with the CIA and people who write the memo  
5 saying he concurs certainly know that.

6 MR. MCGRATH: My point is that his involvement in  
7 covert action findings at NSC, was, as the record will  
8 indicate a product of his position as Intelligence  
9 Director, not the fact he was or was not associated some  
10 time with the CIA.

11 MR. OLIVER: I may state that, but I am not  
12 certain that anything that has been said here, any  
13 documents indicate that to be the case.

14 MR. MCGRATH: My point is nothing said here or any  
15 documents produced indicate that the point you are making  
16 is in fact the case.

17 MR. OLIVER: I am trying to determine why the  
18 State Department sends a memo to Mr. Raymond recommending  
19 ~~to~~ covert findings and ~~covert~~ covert action memo<sup>s</sup> and why people  
20 within the NSC, in the Intelligence Directorate,  
21 indicate on their memos to the NSC adviser that Walt  
22 Raymond concurs on covert action memoranda if he is now  
23 Special Assistant to the President.

24 MR. MCGRATH: I am not objecting at all to that  
25 question.

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bap-11

1 MR. OLIVER: The question was this: I understand  
 2 how Mr. Raymond has testified that Dennis Kux at the  
 3 State Department made a mistake; that it was misaddressed  
 4 on July 6th, but on July 11, there is a memo indicating  
 5 that he concurs on the same matter from people within  
 6 the NSC, with whom he worked very closely and who  
 7 certainly knew what his role was.

8 THE WITNESS: I will respond to your question,  
 9 Mr. Oliver. It seemed to me that the record is clear  
 10 that while turning over my responsibilities in the main  
 11 there were a few residual responsibilities continued  
 12 through that summer.

13 We have seen documents citing my involvement or  
 14 my concern, certain aspects of this problem as late as  
 15 September. As you can see, the principal architect of  
 16 this memo were three NSC staff officials ~~since~~  
 17 <sup>(I led)</sup> identified as the record shows, some limited involvement in  
 18 this issue/ in the transition period, which is what we  
 19 are talking about right now, on a very complicated issue,  
 20 which started early in the year.

21 I was put down as a coordinator <sup>OR</sup> ~~that~~. That is  
 22 why my name is there. I do not recall coordinating,  
 23 concurring, but I don't know that is particularly relevant.  
 24 The fact was the record shows I had some involvement in  
 25 this issue, during the summer while transition was taking

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1 place.

2 MR. OLIVER: I would like to ask the reporter to  
3 mark this document as Raymond Exhibit Number 25.

4 (The document was marked as Walt Raymond Exhibit  
5 Number 25 for identification.)

6 MR. OLIVER: I would like to ask for the  
7 record, that this is a memo classified secret to Robert  
8 McFarlane from Walt Raymond, Jr.; subject, "Central  
9 America Covert Action," dated July 21, 1983, the  
10 committee identification number N46168 through 46179.  
11 And this package contains a memo dated July 8, 1983 from  
12 Walt Raymond, Jr., to William P. Clark on Central  
13 American Covert Action.

14 It also includes a memo draft memo for Mr. Clark  
15 to send to the President on Central American Covert  
16 Action and an amendment to H.R. 2760, which relates to  
17 legislation on the prohibition of covert assistance for  
18 any military operations in Nicaragua. My question,  
19 Mr. Raymond, did you sign the two memos there to Mr.  
20 McFarlane and to Mr. Clark?

21 THE WITNESS: Yes, I did.

22 BY MR. OLIVER:

23 Q My question is, why were you initiating memos  
24 to the National Security Adviser on Central American Covert  
25 Action in your position as Director of International

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1 Communications at NSC?

2 A This issue we discussed yesterday in rather  
3 exhaustive detail. Basically, this is one area where  
4 the transition was taking place during the summer. On  
5 an issue which had been going on during the time that I  
6 had been in my other position, and as I think most of the  
7 documents pointed out, the general focus seemed to be  
8 dealing with congressional strategy.

9 In a somewhat division of labor, I had been  
10 asked by my superiors to stay plugged in on that issue  
11 for a little while and that is what I was trying to do.

12 Q Why would you not advise Mr. de Graffenreid to  
13 put forward such a memorandum rather than putting forward  
14 in these measures?

15 A I think I have covered that point. This was  
16 something that I had been working on while I was in the  
17 intelligence group. We kept thinking this was going to  
18 be resolved. We expected it to be resolved in early  
19 spring. It dragged on into summer, and the question was  
20 simply was at what point in time do you turn over this  
21 one aspect of it, and I was asked to stay with it. Let's  
22 get this problem solved, and then get it off your desk.

23 Q By this aspect of it, do you mean Central  
24 American covert action?

25 A No, I mean this general discussion which was going

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1 back and forth with various parts of the government,  
2 particularly with the Department of State and others,  
end 2a 3 over the congressional issue.

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Q What was your responsibility for legislative strategy in either position?

A I was not a principal for legislative strategy in either position. There was -- I think there was a reference in here ~~Chris~~ Chris Lehman had come on board as the Special Assistant for the President for Legislative Liaison. I am not clear on this, but my vague recollection is he came on board about coincident with the reorganization of the NSC. I am reasonably confident he came on board about June '83. So we had a transition problem and we also had a fast-moving train. So they asked me to stay on the train until this could be sorted out.

It did not mean that I had a sudden new job description.

Q So you are indicating, I take it, that your responsibilities in both positions overlapped in the areas of covert action, legislative strategy and public diplomacy?

A I don't think the word "overlapped" is correct. This is one issue we have identified in which I stayed involved until approximately September. Yes, that was three months of overlap but it doesn't mean that the whole process of both offices was all entangled. This is an issue I was asked to stay with.

Q Who asked you to stay with it?

A The Leadership, Judge Clark and -- basically

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Judge Clark.

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Q Judge Clark asked you to stay with this area of responsibility. Why is the only other name that is mentioned on these two memorandums Al Sapia-Bosch? When you indicate it was coordinated with him, what did you mean by that?

A It means I coordinated with him.

Q Why doesn't it indicate on here you coordinated with anybody in the intelligence section of the NSC?

A I don't know. I discussed this with the people in the intelligence group.

Q But it is not indicated on here that they concur or were involved in anything.

A That is correct.

Q The only person whose name is mentioned was someone involved in the Central American Division of the NSC, is that correct?

A Central American Policy.

MR. OLIVER: I would like to ask the reporter to mark this as Raymond Exhibit No. 26.

(Raymond Exhibit No. 26 was marked for identification.)

BY MR. OLIVER:

Q This is a memorandum dated August 29, 1983 from Walt Raymond, Jr., to John Poindexter on the subject of Central American Outreach, and the committee identification

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1 number is N-3340 through N-33449.

2 Mr. Raymond, I know that the signature on that first  
3 document is barely legible but can you determine whether  
4 or not it is yours?

5 A No, I can't. But I am prepared to accept it  
6 as a document that I wrote.

7 Q In the second paragraph it indicates that Bill  
8 Casey called on August the 26th and would like to follow  
9 up on his idea to have a meeting with five or six key  
10 public relations specialists. What was his idea?

11 A I think it's stated about as eloquently as I could,  
12 is in that first ticked paragraph on the next memo, if you  
13 want me to read it, essentially I think the key in there  
14 was effort to have a more effective means of communicating  
15 our policy and generating support nationwide.

16 Q You discussed his idea with him, did you not?

17 A The memo indicates that there was a brief telephone  
18 call and that I would talk to him later. I do not recall a  
19 follow-up conversation personally. This may be faulty  
20 memory but I recall no follow up.

21 Q What did he say when he called you on  
22 August 26th? What did he tell you?

23 A Basically that he chatted with public relations  
24 specialists and that these guys felt that what was needed  
25 was to generate a nationwide campaign.

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1 MR. McGRATH: Do you have an independent  
2 recollection of that phone call at this time?

3 THE WITNESS: I do not.

4 MR. OLIVER: I believe, counsel, he just  
5 testified to his recollection of that phone call.

6 THE WITNESS: I don't have an independent  
7 recollection of the phone call. I have recounted it here  
8 in a memorandum. I presume it took place. I can't recall  
9 specific telephone calls like this.

10 BY MR. OLIVER:

11 Q Did you have a lot of phone calls from Bill Casey  
12 in those days?

13 A No, no, I did not.

14 Q Before your counsel asked you about your  
15 recollection, you were talking about your recollection of  
16 this phone call. Do you remember where you were when you  
17 received this phone call?

18 A Probably sitting at my desk in EOB.

19 Q How many times did Bill Casey call you?

20 A As I testified yesterday, very infrequently,  
21 possibly after my new position, possibly every three or  
22 four months or less.

23 Q Did you consider it a fairly important event when  
24 Bill Casey called you?

25 A I think any time a cabinet-level person calls that

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1 you should -- I would consider it something that one  
2 should listen to, certainly.

3 Q In the last sentence on the first page it says,  
4 "When I philosophized a bit with Bill Casey, (in an effort  
5 to get him out of the loop) he was negative about turning the  
6 ball over to State" and so on. I would like to ask you  
7 several questions about this.

8 What did you mean when you said you philosophized  
9 a bit with Bill Casey?

10 A We are still talking about the basic generic  
11 question that somewhere between 10, 15, 20 percent the  
12 American people at that time could identify Central  
13 America on a map and less could identify anything about the  
14 political structure in the key countries.

15 So what was necessary, as I stated, was an effective  
16 communication system, a need to sell a new product,  
17 Central America, by generating interest across the spectrum.  
18 It was a philosophical question. How are we going to get  
19 the Central American story told and get the facts out to the  
20 American people. And that is what he was discussing.  
21 That is the philosophical part of it.

22 The next part, in an effort to get him out of  
23 the loop, obviously it was clear to me you don't want the  
24 Director of Central Intelligence being the lead man in  
25 any of this kind of discussion.

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1 Q You didn't talk about him being the lead man,  
2 you wanted to get him out of the lead. Was he the lead  
3 man prior to that?

4 A No. Get my syntax straightened out. No, of  
5 course not, but to get CIA out of the loop, period.

6 Q When you say that he was negative about turning the  
7 ball over to State, what did you mean by that? What  
8 was he negative about in turning over the ball? What ball  
9 are you talking about?

10 A He shared a concern that a number of other people  
11 had at that time that the traditional elements of the  
12 Department of State were neither configured nor particularly  
13 effective in the projection of American foreign policy.  
14 That was his perception and his feeling was that if it  
15 were given to some of the institutional elements of state  
16 nothing would happen. Gil Robinson, who was about ready to  
17 assume a position of a special assistant to the Secretary  
18 of State for Public Diplomacy, a man who had previously had  
19 considerable experience in public relations, in various jobs  
20 in New York, was someone who possibly could have been effective  
21 in trying to help generate a major publicity effort.  
22 I think that is what was meant by the last three lines.

23 Q On the next page, a memorandum from you to Bill  
24 Clark which preceded this top memorandum, you indicate that  
25 a group of public relation specialists met with Bill Casey

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1 a few days ago. How did you know that?

2 A I don't recall whether I received that information  
3 directly from Bill Casey or indirectly.

4 Q You saw in there, they stated, and you have that  
5 in quotation marks what needed to be done to generate a  
6 nationwide campaign. Why did you put that in quotation  
7 marks?

8 A I don't recall why. I think it could have been  
9 done without the quotation marks.

10 Q And you indicate that several elements were  
11 identified and the first, a fund raising effort under the  
12 direction of someone like Walter Winston. Was that a  
13 fund raising effort for public diplomacy relating to Central  
14 America?

15 A I think it is related to this whole question of  
16 getting more information out to the American people on  
17 Central America.

18 Q To your knowledge was Bill Greener ever involved  
19 in a fund raising effort for public diplomacy efforts  
20 related to Central America?

21 A To my knowledge the answer is no.

22 Q In the last paragraph you indicate that Faith  
23 advised Charlie Wick that she had the prospect of funding  
24 for the Mellon-Sciafe foundation and she has in  
25 parentheses "Terry Slesser". Do you know Terry Slesser?

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A No, I do not.

Q Do you know whether there was ever any funding provided for this purpose by Mellon-Scaife organization?

A I don't recall. I don't know if I ever knew.

Q When you say Slease also speaks of a 1000 dollar per plate fund raiser, is that what Faith told you?

A Yes, I believe so.

Q In the next aparagraph near the top of page 2, you indicate that, "Roy Godson and I have discussed this and that we are concerned that efforts undertaken by Faith's office tend to be confined to briefing and converting." You put, "We recommended funding via Freedom House." Who did you and Roy Godson recommend that funding to?

A I don't recall. Probably from the context of this it would be Faith, but I am not sure whether any money was ever raised.

Q Well, the paragraph indicates that you thought that her efforts tend to be confined to preaching and converting and it appears you are recommending that the funding be some other place. Did you recommend this to these public relations experts?

A No. No, I did not.

Q You don't remember who <sup>m</sup>you recommended it to; is that correct?

A Well, I don't remember this exact paragraph but

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1       trying to reconstruct, the only recommendations that  
2       we could have made we, presumably, meaning Gus and myself,  
3       would have been to Faith that were she successful in  
4       whatever she was doing, to encourage her to pick a  
5       structure which would be broader based, more representative  
6       of a broad section of the American people.

7               If an effort is to be successful, you can't just  
8       be preaching to the convert<sup>d.</sup>~~er~~

9               Q     You indicate in a subsequent sentence that  
10       Wick via Murdock may be able to draw down added funds for  
11       this effort.

12               What did you mean by that?

13               A     I meant that there was a possibility that Charlie  
14       Wick might be able to raise funds. To the best of my  
15       knowledge, nothing ever -- that sentence never ~~was~~ anywhere.  
16       A, I don't believe he talked to Murdock about it. B, I don't  
17       think any funds were raised.

18               Q     Why did you think he might be able to get funds  
19       from Murdock?

20               A     Because I think Murdock was a gentleman who had  
21       indicated a great concern about some of the major foreign  
22       policy issues and the belief they were not being thoroughly  
23       discussed.

24               Q     Did he ever provide funds for any of these  
25       efforts to your knowledge?

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1 A Not to my knowledge, but I cannot be sure. I do  
2 not know. There is previous testimony in here which talks  
3 about ~~400,000~~<sup>4</sup> of it being raised in one earlier document.  
4 It was never broken down to me as to where it came from.  
5 Possibly it came from Mr. Murdock, possibly somebody else.  
6 I don't know that.

7 Q You indicate that the Wagner-Bar~~ardi~~<sup>GO</sup> firm,  
8 recommended by Cliff White, could be hired by Freedom House.  
9 Who~~did~~<sup>DO</sup> did Cliff White recommend the Wagner-Bar~~ardi~~<sup>GO</sup> firm to?

10 A I don't know whether he recommended it to me  
11 or whether he recommended it to Faith.

12 Q Do you know whether or not the Wagner-Bar~~ardi~~<sup>GO</sup>  
13 firm was ever hired by Freedom House for this purpose?

14 A I do not. I believe the answer is negative, but  
15 I cannot be certain.

16 Q In the next paragraph where you are  
17 talking about Dan James, you indicate that he believes he  
18 can get funding from Ross Perot, Clam Stone and others.  
19 Did he tell you that?

20 A He told me that and this, to the best of my  
21 knowledge, was a dry hole.

22 Q Who was Dan James?

23 A Dan James was --

24 Q Is Dan James?

25 A --is a journalist. He has written a book on

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1 Mexico that I am aware of. He has written several articles  
2 on Central America, Latin America. I think he is free lance.  
3 I had never met him before. He called up for an appointment,  
4 came in and saw me.

5 Q Did he tell you that <sup>Ann</sup> ~~Mr~~ Armstrong would make  
6 calls for him to seek funds for these projects?

7 A Mr. James had a lot of very big ideas and I  
8 don't believe any of them were carried out, but I do not  
9 know because I did not follow-up with Mr. James.

10 Q You indicate in the last paragraph on this page  
11 that Les Lyncusky believes we need to create a coalition  
12 for the present danger to generate support.

13 Did he tell you that?

14 A Yes.

15 Q To your knowledge did the Smith Richardson  
16 Foundation provide any funds to any individuals or entities  
17 for this purpose.

18 A I can't be sure on that. My sense is that the  
19 Smith Richardson Foundation, not in response to anything  
20 that I may have talked to Les Lyncuski about, but my sense  
21 is the Smith Richardson Foundation has given grants in  
22 the region, in the Central American region. Their grant  
23 reports are matters of public record. I am sure you could  
24 get them. I don't know specifically which programs he may  
25 have supported.

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1 Q Do you know any programs that they may have  
2 supported specifically?

3 A Not specifically, no.

4 Q Do you know of any organization which may have  
5 received funding from the Smith Richardson Foundation for  
6 this purpose?

7 A Not that I can state with any certainty.

8 Q In the last paragraph you indicate, "We need an  
9 organizer. I would like to lead with our silver bullet.  
10 I recommend Peter Daily be asked to put the group  
11 together."

12 I believe we discussed this earlier, and you  
13 indicated that you discussed this with someone and  
14 learned that Peter Daily was not available. Is that  
15 correct?

16 A I believe I stated that since Peter Daily had  
17 been called back to help the public<sub>A</sub> diplomacy effort in the  
18 INF debate, that while still serving as U.S. Ambassador to  
19 Ireland, that we felt asking him to come back again from  
20 his post in Ireland would be too much of an inconvenience  
21 to the responsibilities he had as Ambassador.

22 So we did not pursue that with Mr. Daily.

23 Q The next memorandum that is there is a memorandum  
24 to you from Roger Chapin. Who is Roger Chapin?

25 A Roger Chapin is another in a long line of people

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1 that knock on the doors of NSC staff officers and chew up  
2 their time. This happens all the time, and he was what we  
3 might call in the trade a walk-in. He had a very high <sup>3</sup>calutin  
4 idea with a lot of rhetoric, but you and I don't need to  
5 spend any time on something that went absolutely no place.  
6 It is dead on arrival as we say in the military.

7 Q Did you pay enough attention to him to forward  
8 his memorandum to Bill Clark.

9 A I may have in the context of this whole package,  
10 because as you can see, I was getting -- I was listening  
11 to dialogue in various groups. I was participating in  
12 some meetings and many people were calling and there  
13 seemed to be one basic issue that most of these people  
14 were saying, and that is we have a need for a major  
15 information program, and we need to mobilize the American  
16 people in a broad bipartisan basis to understand the  
17 issues more effectively.

18 That is what I was basically telling Bill Clark, <sup>this</sup><sub>A</sub>  
19 was coming at me from all kinds of directions, some  
20 well-informed and not so well-informed. That seemed to  
21 me to be what bottom line was, and essentially it was his  
22 call.

23 Q In the last paragraph of the memo from Mr. Chapin  
24 there is a reference to you getting a coup for him to have  
25 Ted Turner's office call you for a good word about what he

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1 is doing and asked you to please try and do so. Did you do  
2 that?

3 A I did not do that. But if I had done that, it  
4 probably would have been a hundred members of the Senate that  
5 he would then have me make calls for. I am not trying  
6 to be glib on it. The point was my files are lined with  
7 these kinds of proposals. If I were to follow-up with --  
8 just open this door for me, I can turn the world around,  
9 once in a while --

10 Q Your testimony is you didn't try to open the  
11 doors.

12 A I didn't try to open the door, no. It just  
13 wasn't going anywhere.

14 Q There is an additional attached memo from  
15 Mr. Chapin. Did it get the same general treatment as his  
16 first memo?

17 A Well, you know, like anything I tried to help  
18 him, direct him in a limited way, and I said that maybe  
19 he should talk to Dan McMichael, Les Lyncusky. He did, as  
20 you can see, and nothing happened.

21 Q Who was Dan McMichael?

22 A He was associated with the Mellon-Scaife Foundation  
23 in Pittsburgh.

24 Q Mr. Chapin referred to brainstorming and planning a  
25 meeting for Chapin with several of his counterparts. Do

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1 you know whether or not that meeting ever occurred?

2 A I don't recall, no. I don't think it did, but I  
3 don't recall. If so, it might have been something that  
4 Mr. McMichael was doing by himself.

5 MR. OLIVER: I would like to ask the reporter to  
6 mark as Raymond Exhibit No. 27 a memorandum from  
7 Walt Raymond, Jr., and Oliver North to Bud McFarlane.

8 (The document was marked as Walt Raymond Exhibit  
9 Number 27 for identification.)

10 MR. MCGRATH: I don't want to state with certainty.  
11 I know we discussed if not this one, similar memoranda.

12 MR. OLIVER: Counsel, I remember a similar  
13 discussion. I think this must have been another memo  
14 because I have gone through the first deposition and  
15 marked and extracted all the documents that are mentioned  
16 in there, and I don't find this particular document number  
17 mentioned in the first deposition.

18 MR. MCGRATH: I accept your word on that. If  
19 you might, however, it does clearly involve material that  
20 we did discuss at length in the first deposition. If  
21 you could at least direct us to the general parts of that  
22 deposition where it is discussed, it would be appreciated.

23 MR. OLIVER: Let's go off the record a minute.

24 (Discussion held off the record.)

end 3a

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MR. OLIVER: Back on the record.

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BY MR. OLIVER:

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Q Mr. Raymond, this is a memorandum from you and Oliver North to Bud McFarland<sup>2</sup> that I believe we may have discussed in the earlier deposition. But in this memorandum you indicated that you and Oliver North met with Frazier. Do you recall how that meeting was initiated?

6

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A No, I don't, as I testified.

9

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MR. McGRATH: I would point out this question has previously been asked and answered.

11

MR. OLIVER: What was the answer?

12

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MR. McGRATH: The question is page 99 of the deposition of September 3, 1987, line 2446. Could you tell how you happened to meet with Edie Frazier?

14

15

Answer: She was brought to my office by Oliver North.

16

17

MR. OLIVER: All right, then we have to answer another question.

18

19

All right, on the record.

20

BY MR. OLIVER:

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Q Well then, since we have discussed this, I will just move on to the next exhibit and ask the reporter to mark this as Raymond Exhibit Number 28.

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(The Raymond Exhibit Number 28 was marked for identification.)

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1 BY MR. OLIVER:

2 Q This is a memorandum from Walt Raymond to Bud  
3 McFarland<sup>E</sup> subject, Central American strategy, dated January  
4 18, 1985, Committee Identification number N 32476.

5 Do you recall writing this memorandum, Mr. Raymond?

6 A In a general way, yes.

7 Q In this memorandum you indicated that you had three  
8 <sup>idea</sup> I guess you wanted to share with Mr. McFarland<sup>E</sup>, and in the  
9 first paragraph, on surrogate supporters, you indicated that  
10 you wanted to expose the Congressional leadership directly  
11 to the views of leaders in Central American countries,  
12 excluding<sup>4</sup> Nicaragua.

13 They want to explore the possibility of bringing  
14 Congressional leadership together with the leaders. Did you  
15 ever bring the Congressional leadership together with these  
16 leaders?

17 A I think this idea was followed up on. I don't have  
18 specifics on it. I don't have specifics on this. I know  
19 that it is important, it seems to me, for not only the  
20 Administration but for the Congress, and for the American  
21 people to know what the leaders of those countries are  
22 thinking about this issue, and they may speak publicly or  
23 may only privately. This could be done by either having  
24 representatives of Congress or the Administration or the  
25 American people, the press, go to Central America or to have

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1 Central American leaders come here.

2 As you know, there has been a fairly steady pattern  
3 of invitations to key leaders from these countries to come to  
4 the United States. Some have and some have not. I don't know  
5 that -- it would be too simple to say that that is the only  
6 reason why they come. There are many issues of state that  
7 cause us to have detailed conversations with these leaders,  
8 but it certainly is worthwhile hearing their views on Nicaraguan  
9 situation while they are in town.

10 Q Were you aware of a secret meeting that took place  
11 in Texas between Central American leaders and members of  
12 Congress to discuss Central American policy?

13 A I have no first hand information on that. I believe  
14 I heard some informal discussion of it. I was not in that  
15 loop. I was not involved in planning and preparation. I  
16 think I heard reference to it after the fact. I can't be more  
17 precise than that. I don't have any more detail.

18 Q Where did you hear reference to this meeting?

19 A In the National Security Council. I can't identify  
20 the spokesman.

21 Q Might it have been Oliver North?

22 A It could have been.

23 Q It is your recollection that you heard such a  
24 meeting had taken place?

25 A I heard it either took place, or was to take place.

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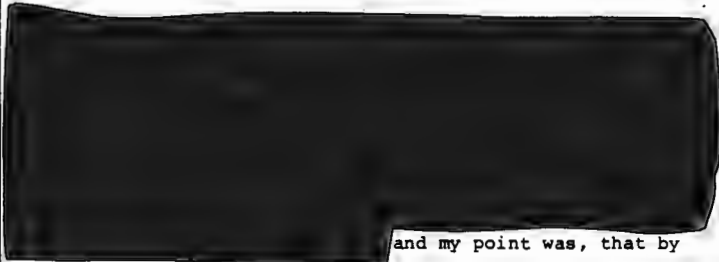
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1 I am so vague on this Mr. Oliver, I can't confirm that it  
2 actually took place. I have heard discussions of the issue at  
3 some point in time.

4 Q Next paragraph on overt<sup>3</sup>/<sub>covert</sub> missions, you  
5 talk about supporting covert programs with overt programs.  
6 Was it your idea that a shift to seeking legislative support  
7 for humanitarian assistance would supplement the covert  
8 actions that were taking place in Central America?

9 A This ~~memo~~ described three ideas that I was  
10 suggesting to him for his own consideration. It has no more  
11 standing than that.

12 The idea that I had was stimulated by observing a



17 and my point was, that by  
18 having everybody run away from any direct support of the  
19 contras, there was no way of anybody reaching out perhaps  
20 and embracing them.

21 I thought one way that we could show more direct  
22 support to the contras and might be constructive way, was in  
23 the area of humanitarian assistance. So my point was, not  
24 really as a way of increasing the over<sup>all</sup> funding level or  
25 anything like that, I wasn't dealing with that, I was trying

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1 to generate a sense of greater association with, better  
2 understanding of, appreciation for the contras, and it might  
3 be possible to do with some overt support if we could do it.

4 Q In that paragraph you state, "I do not see any  
5 credible or legal way which paramilitary support can be given  
6 to the contras."

7 Would that include not having any paramilitary  
8 support given to the contras through the National Security  
9 Council?

10 A I was only addressing myself to the legislative  
11 situation at the time, of the Boland Amendment and so on.  
12 I was not aware of any other means of providing paramilitary  
13 support. That was my understanding of the legal situation  
14 that pertained at that time.

15 Q I would like to ask the reporter to mark this  
16 as Raymond Exhibit 29

17 (The Raymond Exhibit Number 29 was marked for  
18 identification.)

19 BY MR. OLIVER:

20 Q This is a memorandum dated March 15, 1985, from  
21 Robert McFarland to Mr. Oliver North, Walter Raymond, Jr.,  
22 and Donald Fortier. It is committee identification number  
23 N 40603.

24 Do you recall participating in drafting of this  
25 memorandum, Mr. Raymond?

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1 A Excuse me a second, I will have to read it.

2 I don't recall participating in the drafting. I  
3 actually don't even recall seeing it until now, but memory  
4 can play tricks. I did not participate in the drafting to  
5 my knowledge. As you see, my signature is not on it. I have  
6 not initialed it.

7 Q Well, this is a copy that was acquired from Oliver  
8 North's files at the NSC not from yours, but since it has  
9 your name on it --

10 A It is possible I have seen it, but I did not  
11 participate in the drafting.

12 Q All right. Do you recall being involved in the  
13 legislative campaign and orchestration of an overall effort?  
14 Were you put in charge of meshing legislative strategy  
15 mentioned in the first paragraph?

16 A I played a significantly smaller role in the  
17 legislative exercise in 1985 as compared to the documents we  
18 have seen in '83. This was principally, as you can see from  
19 the points here, we are calling for some kind of organized  
20 approach. My recollection is that Pat Buchanan was very  
21 active, Don Fortier was active, and I believe the Legislative  
22 Liaison Offices of concerned elements were very active.

23 I attended some of these meetings and I didn't  
24 attend others.

25 Q On the last page of this exhibit, talking points

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1 regarding public diplomacy in Central America, these are  
2 talking points for McFarland prepared for a conversation with  
3 Buchanan. In the third to last paragraph it indicates that,  
4 it suggests that the Buchanan coordinates, Reich Coordinating  
5 Group, including the following, and then it has Buchanan,  
6 Riley, Simms, Walt Raymond, Ollie North and Chris Lehman and  
7 Ed Rollins, Otto Reich, Jonathan Miller, and Jim Michael.  
8 Was there in fact such a coordinating group?

9 A I think, yes, there was and I think we have a  
10 document in the official record in the early September hearings  
11 that speaks about that group a bit.

12 Q Did you participate in that group?

13 A My attendance was uneven. I was there probably  
14 for one third to one half of the meetings.

15 Q Did the people who are mentioned in the memorandum  
16 participate in that?

17 A Some did. The principal concern that, the  
18 principal public diplomacy control point at this time was  
19 Otto Reich, which was appropriate. He had a large enough staff  
20 to support any efforts that were needed.

21 We did have, as you can see from here, representa-  
22 tion from the legislative offices. I believe we also had  
23 somebody from State legislative <sup>IVE</sup> ~~legislat~~.

24 Q Who was that?

25 A I don't recall. Jim Michael of course had a lot

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1 of experience in that field. He or one of his assistants  
2 attended.

3 Q The only person from the legislative area I believe  
4 mentioned in here is Chris Lehman, who was the legislative  
5 person for the NSC.

6 A Yes sir. I think there was somebody from State.

7 Q Was it Ed Fox?

8 A It could have been. That would have been logical.

9 Q It also indicates in here, mentioned something about  
10 scrub sessions with you and Ollie and Otto and Buchanan. Did  
11 you have such a scrub session?

12 A That is very colorful language Ollie has written  
13 there. I presume Ollie is the author of this. I don't think  
14 it is Fortier. We did have a couple of sessions, or at least  
15 a session with Pat Buchanan to explain to him what the Otto  
16 Reich effort consisted of, and what type of support LPD  
17 could provide. Which I think was appropriate.

18 Ollie was present in this context principally as  
19 the Central American substantive point from the NSC.

20 Q On the first page of this memorandum there is a  
21 sentence in the last paragraph which says, "You call to make  
22 sure Max is on board for [REDACTED] use of former  
23 Congressman Dan Kuykendall for those who wish to contact and  
24 schedule resistance leaders.

25 Do you know Dan Kuykendall?

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1 A We discussed this last time. I have met Dan  
2 Kuykendall, yes.

3 Q Do you know whether or not Dan Kuykendall was the  
4 focal point for this purpose?

5 A I do not know. I know Dan Kuykendall's name. I  
6 know he was trying to support the Nicaraguan effort but I  
7 don't know what his responsibilities were.

8 Q Did you attend a meeting at Dan Kuykendall's town  
9 house<sup>sa</sup> with Otto Reich for the purpose of discussing<sup>3</sup> legislative  
10 strategy?

11 MR. McGRATH: I think this question was asked and  
12 answered at the September 3rd deposition.

13 MR. OLIVER: I am asking it again in the<sup>c</sup> context of  
14 his most recent answer.

15 THE WITNESS: I hope my answer is the same. My  
16 recollection is that we attended a meeting. I don't believe  
17 I knew the exact purposes of the meeting. Otto Reich and I  
18 left before the end of it.

19 BY MR. OLIVER:

20 Q Who<sup>th</sup> did you go to the meeting with?

21 A I don't recall the transportation.

22 Q Do you recall whether or not it was in the White  
23 House car and you were accompanied by Ollie North?

24 A Could I take time out for just one second?

25 (Pause)

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1 THE WITNESS: As far as transportation is concerned,  
2 no, I do not recall how I got there. I don't recall what kind  
3 of car I went in.

4 Q Did you go there with Otto Reich?

5 A I just frankly don't recall whether I went alone  
6 or whether anybody else was in the car.

7 Q Why did you leave the meeting?

8 MR. McGRATH: This whole line of questions has been  
9 previously examined in the September 3rd deposition and if  
10 counsel desire to go back through and reexamine that, we would  
11 like for him to identify the previous questions and previous  
12 answers as an expansion of those answers he desires.

13 MR. OLIVER: I don't object to doing that if you  
14 don't object to this deposition continuing beyond 1 o'clock.

15 MR. McGRATH: What is the question on the table?

16 MR. OLIVER: The question on the table is why did  
17 you leave the meeting?

18 MR. McGRATH: I believe the answer to that question  
19 is set forth on page 143, line 3535, of the September 3, '87  
20 deposition of Walt Raymond in which he responded, "Yes, Otto  
21 and I both left early because --

22 MR. OLIVER: Because?

23 MR. McGrath. "Frankly, it was not appropriate for  
24 us to be there. We weren't necessarily briefed as to what  
25 the meeting was about. We did not stay for the whole thing."

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1 THE WITNESS: And in response to your question, Mr.  
2 Oliver, I confirm that that is my recollection of the  
3 circumstance.

4 BY MR. OLIVER:

5 Q Did you discuss leaving the meeting with Otto Reich  
6 before you left?

7 A I don't know whether -- I don't recall whether Otto  
8 and I discussed it before the meeting. I think we both felt  
9 that the meeting was getting into an area which was not part  
10 of our responsibilities and we felt it ~~Q~~ould be appropriate  
11 for us to leave.

12 Q Have you discussed this subject with Ambassador  
13 Reich during the past few months?

14 A No, I have not. I don't recall discussing it.

15 Q That meeting, according to Oliver North's calendar,  
16 took place on March 1, 1985, and he indicates on his calendar  
17 your name, Kpykendall, Abermot, Reich, Blair, Dickens, Denton,  
18 and Bouche.

19 Did you discuss prior that meeting, your participa-  
20 tion, with Oliver North?

21 A I don't recall having discussed it with prior to it  
22 other than his inviting me to a meeting and saying we will  
23 discuss Central America. I would like you to meet and listen  
24 to them. It was a very quick sort of contact in the hall as  
best I recall it.

end mhl  
25

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1 Q And after leaving that meeting, 12 days later, on  
 2 March 15, you and Oliver North and Don Fortier suggested to  
 3 Bud McFarlane that Kuykendall be insured, or Kuykendall be  
 4 the focal point for the contact for the resistance leaders,  
 5 knowing Mr. Kuykendall was involved in the legislative  
 6 effort; is that correct?

7 A As I say, I may have seen this memo. I don't  
 8 remember the exact specification. I did not draft it. I'm  
 9 not in a position to associate or not associate with the  
 10 recommendation of his character. Mr. McFarlane, despite  
 11 my name -- I did not have that kind of conversation with  
 12 Kuykendall and I don't know Max Friedersdorf. So I can't  
 13 expand on this point.

14 Q Other than that meeting at Dan Kuykendall's town  
 15 house did you have any other subsequent meetings with Dan  
 16 Kuykendall?

17 A I think there were two other sessions.

18 [REDACTED]  
 19 [REDACTED]  
 20 Q I remember that. We don't need to go into  
 21 that.

22 A The second session was a sort of bull session,  
 23 I would characterize it, at the White House mess with  
 24 six or seven people where we talked about Central America.  
 25 No actions were taken. We were generally discussing the

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1 situation and it was organized not by Ollie North but by  
2 the White House liaison, Linas Kojelis, and one or two  
3 others. We are now at a stage where Faith Whittlesey  
4 has moved on. Other people are there. I don't recall any  
5 actions were tabled or any actions were taken as a result  
6 of that discussion. I'm not aware of any follow-up.

7 Q Who else was in that bull session besides  
8 Kuykendall and you and Linas Kojelis?

9 A I think there was a representative from <sup>L</sup>DPD.  
10 Whether it was on the Otto Reich or whether it was Jonathan  
11 Miller, I do not recall. There were about three representa-  
12 tives of the Office of Public Liaison and that's about it,  
13 about six of us, possibly two members from Otto Reich's  
14 office.

15 Q Was there anybody from the legislative office  
16 there?

17 A There may have been but I don't recall.

18 MR. OLIVER: I would like to ask the reporter  
19 to mark this as Walt Raymond Exhibit No. 30.

20 (Raymond Deposition Exhibit No. 30  
21 was marked for identification.)

22 BY MR. OLIVER:

23 Q Is that your signature, Mr. Raymond?

24 A I think so.

25 Q It indicates that Central American public<sub>7</sub>

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1 diplomacy working group, which you chaired, had discussions,  
2 considerable discussion about the need to underscore  
3 continued Presidential commitment on the Central American  
4 issue and reinforce our supporters in the aftermath of the  
5 House action on April 16. And the working group recommended  
6 two actions. One was a meeting with private<sub>2</sub> sector  
7 supporters in room 450. Did such a meeting ever take  
8 place?

9 A I believe so, but the difficulty here, Mr. Oliver,  
10 is that there are scheduled proposals like this that come  
11 up quite regularly and it's very difficult to know -- a  
12 lot of them are rejected. It's very difficult to know  
13 whether this one was approved or not. I think it was.  
14 I can't be absolutely certain. I have a feeling that there  
15 was also this meeting with congressional leaders but that,  
16 of course, happens quite regularly also. There is no  
17 indication on the document that I have here that Admiral  
18 Poindexter approved. It's entirely possible that such a  
19 meeting took place.

20 Q I would like to ask the rep<sup>8</sup>orter to mark this as  
21 Raymond Exhibit No. 31.

22 (Raymond Deposition Exhibit No. 31  
23 was marked for identification.)

24 BY MR. OLIVER:

25 Q Moving on to this one because part of it was

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1 inadvertently attached to the previous exhibit, this is a  
2 memorandum to Walt Raymond to John Poindexter regarding ~~the~~  
3 Peter Daily ~~dated~~ August 29, 1986, and the exhibit identi-  
4 fication number is N-31965. It indicated that Bill Casey  
5 had sent a brief note to him which put some caveats around  
6 the activities and then you're attaching a letter dated  
7 August 22, 1986, to John Poindexter from Bill Casey.

8 Did Bill Casey give this letter to you to give to  
9 John Poindexter?

10 A I honestly don't recall whether he gave it to  
11 me or whether it was sent to the NSC and John Poindexter  
12 sent it to me for -- it wasn't John Poindexter by my cover  
13 note here, but it went into the system and it went over to  
14 me.

15 Everyone knew I had been in touch with Peter  
16 Daily. I don't know how it got to me, in other words.

17 Q It appears from this note you are forwarding this  
18 note to Poindexter.

19 A yes, but that doesn't mean that somehow the  
20 letter was hand carried to me or something. It may have  
21 come through the NSC system and the NSC secretary may have  
22 sent it down to me to prepare something for John Poindexter.  
23 So I don't physically know whether the letter was handed to  
24 me or whether the letter came through the mail or whatever.  
25 But I can deal with the substance of the issue.

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1 Q Please do.

2 A Do you have the --

3 MR. McGRATH: Be happy to let you deal with the  
4 substance. Is there some particular area?

5 MR. OLIVER: I was going to ask some questions,  
6 but he indicated he could deal with the subject matter and  
7 I was going to allow him to go ahead and do it and save  
8 some time.

9 THE WITNESS: That means in response to everything  
10 you know.

11 BY MR. OLIVER:

12 Q I would like to know everything you know  
13 surrounding this letter and this memorandum.

14 A I believe that you --

15 MR. McGRATH: That question may be a little  
16 general. Why don't you go ahead and ask whatever question  
17 you were going to ask.

18 BY MR. OLIVER:

19 Q What was the help that you were referring to  
20 along the lines of your previous explanation via the PROFS  
21 system?

22 MR. McGRATH: Do you have those PROFS system  
23 notes for him to look at on that issue?

24 MR. OLIVER: I don't know whether we have got them  
25 or not.

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1 MR. McGRATH: Obviously in order to help refresh  
2 his recollection of what the previous explanations were, it  
3 would be helpful to have the PROFS.

4 MR. OLIVER: This is a memorandum from him to  
5 Poindexter and I'm just asking him what he's referring to  
6 in this memorandum. He's already said he could address the  
7 subject matter. I don't know whether we have the PROFS  
8 notes or not. I don't recall.

9 THE WITNESS: I'm willing to deal with this  
10 because, frankly, there's not much mysticism here. We  
11 are back again with the same question that has occurred for  
12 three or four years, and that is whether there would be  
13 any possibility of crafting something like a meaningful,  
14 bipartisan commission for Central America like the Coalition  
15 for <sup>a</sup>Democratic Majority, like the Committee <sup>on the</sup> ~~for~~ Present  
16 Danger, and Peter Daily, whose name, as you know, came up  
17 in some context, some previous discussion, in 1983. He  
18 was now back and finished his tenure as ambassador and was  
19 basically willing to see if there was anything he could do  
20 to help in the public <sup>diplomacy</sup> efforts. Nothing had gone  
21 forward. There had been discussion with some people in the  
22 private sector about the need -- private people had been  
23 talking back and forth of, gee, there should be something  
24 like this. Right in the middle of this Peter ended up coming  
25 in to take certain special projects on with Bill Casey.

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1 I do not know what they are. Mr. Casey felt that this is  
2 information that should be brought to the attention of John  
3 Poindexter so that any activities that Peter Daily might be  
4 doing in behalf of the United States in the public diplomacy  
5 field be done with the full recognition of his new assign-  
6 ment in CIA. That's what's behind it.

7 Q In the letter from Bill Casey to John Poindexter,  
8 it indicates that as a CIA employee, naturally Pete is  
9 subject to legal prohibitions on us relating to activities  
10 intending to influence U.S. public opinion or policy.

11 Did those same legal prohibitions pertain to you  
12 when you were a CIA employee and head of the intelligence  
13 component at the National Security Council?

14 MR. McGRATH: I don't mean to quibble with that,  
15 but that seems to be calling for a legal conclusion on the  
16 part of the witness. If you would like to rephrase it,  
17 what restrictions applied to you at the time --

18 MR. OLIVER: All right. I'll accept that  
19 rephrasing.

20 BY MR. OLIVER:

21 Q What legal prohibitions pertained to you when  
22 you were at the NSC and still a CIA employee?

23 A It's my understanding that detailed employees of  
24 the White House or specifically to the National Security  
25 Council, are regarded as employees of the National Security

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1 Council and are subject to any restrictions or any caveats  
2 pertaining to National Security Council personnel, not  
3 pertaining to the organization from which they are detailed.

4 Q Was it not your earlier testimony that a representa-  
5 tive of the CIA sat in on your working group on Central  
6 America<sup>r</sup>/<sub>A</sub> and public diplomacy?

7 MR. McGRATH: Are you referring to a specific  
8 answer to a specific question? Was it not your previous  
9 testimony?

10 MR. OLIVER: Let me rephrase, counsel.

11 BY MR. OLIVER:

12 Q Did a representative of the CIA attend your  
13 working group meetings on Central American public diplomacy?

14 MR. McGRATH: I believe that question has already  
15 been asked and answered.

16 MR. OLIVER: I'm asking it in the context of  
17 this discussion, counsel.

18 THE WITNESS: The answer is yes.

19 BY MR. OLIVER:

20 Q In the last sentence in Bill Casey's letter, it  
21 says that "similarly, now that Pete has joined us, he  
22 obviously can have no role in the private fund-raising  
23 effort on behalf of the Nicaraguan resistance."

24 He had a role in the private fund-raising effort  
25 on behalf of the Nicaraguan resistance prior to joining the

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1 CIA?

2 A I do not know. I cannot answer that. I don't  
3 have the basis of any personal knowledge.

4 Q Do you know why Bill Casey would be informing  
5 John Poindexter about the fact that he could have no role  
6 in the private fund-raising effort?

7 A I have no information about that.

8 Q Do you know whether or not John Poindexter had  
9 any role in the private fund-raising effort on behalf of  
10 the Nicaraguan resistance?

11 A I do not.

12 MR. OLIVER: I would like to have this entered  
13 as ~~Raymond Exhibit No. 32~~. This is a PROF note from Walter  
14 Raymond to Oliver North dated June 7, 1986.

(Raymond Deposition Exhibit No. 32  
was marked for identification.)

17 BY MR. OLIVER:

18 Q Do you remember writing this PROF note, Mr.  
19 Raymond?

20 A Yes.

21 Q When you indicate that Ann ~~Stone~~ <sup>Stone</sup> has or will have  
22 a part of the ~~FON~~ account, what are you referring to?

23 A She simply said that she was doing some things  
24 to support the Nicaraguan resistance, no further identified.  
25 I assumed, since it's a public relations firm, she meant

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1 in terms of information in the United States, but this was a  
2 very noisy, large dinner of 250 people. It wasn't an intimate  
3 private dinner in a house and with the din of background  
4 ~~noise~~, I simply said, "You know, I'm <sup>not</sup> involved in this but  
5 I'll get someone to call you," and that's what this says.

6 Q Did she indicate to you she wanted to get some  
7 guidance from Oliver North?

8 A She indicated she would like to talk to Oliver  
9 North. Well, yes. What I said here, that's what she said,  
10 but we didn't get into detail what the guidance was and I  
11 worked on the assumption that we were dealing with informa-  
12 tion but I didn't see that it was appropriate for me to  
13 discuss it. I didn't choose to get involved in that.

14 Q Did you think it was appropriate for her to get  
15 guidance from Oliver North on public diplomacy rather than  
16 you?

17 A I didn't want to become involved in a series of  
18 uncontrolled, uncoordinated, independent efforts. She  
19 wanted to talk to Oliver North. I passed the message.

20 Q You indicate that Chris Lehman would have brokered  
21 but he's constrained until his one-year limitation has  
22 passed. What does that mean?

23 A Chris Lehman was an NSC staff officer and <sup>by</sup>  
24 various types of laws, not in a position to contact his  
25 former employer until after one year. Chris Lehman worked

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1 for Black, Manafort & Stone. So whether it would be logical  
2 rather than go through this sort of chance encounter with an  
3 NSC staff officer who happens to be sitting next to her at  
4 a dinner, what her point was that she would have asked one  
5 of her colleagues in her own organization to make the contact.  
6 But he couldn't do it.

7 Q Did Chris Lehman tell you he would have brokered  
8 it but he was constrained?

9 A She said that.

10 Q Was Chris Lehman in business with Ann Stone?

11 A Part of Black, Manafort & Stone. I'm not sure.  
12 That's a good point. I may have misspoke. I think that  
13 Chris Lehman is in Black, Manafort & Stone. Maybe somebody  
14 here knows.

15 Q Was Black, Manafort & Stone involved in any way  
16 in securing support for the democratic resistance?

17 A I can't go beyond this and it was not my intent  
18 at a dinner with Ann Stone, who has obviously her own agenda,  
19 to start getting into a discussion of these kinds of issues.  
20 She wanted to be put in touch with North. I sent a PROF  
21 note to North. I have no idea whether the contact ever  
22 took place.

23 Q My question was whether or not you knew whether  
24 Black, Manafort & Stone was involved in securing assistance  
25 for the resistance?

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1 A I do not.

2 MR. OLIVER: I would like to have this entered  
3 as Raymond Exhibit No. 33.

4 (Raymond Deposition Exhibit No. 33  
5 was marked for identification.)

6 BY MR. OLIVER:

7 Q This is a PROF note from Walter Raymond, subject  
8 "Otto Reich," replying to a note of July 3rd, 1986. It  
9 bears the committee identification No. N-16813. It does not  
10 indicate to whom this PROF note was addressed.

11 Do you recall to whom you addressed this PROF  
12 note, Mr. Raymond?

13 A Give me one more minute.

14 I don't know, Mr. Oliver. It's a rather curious  
15 format. It almost looks as if I wrote a PROF note to my  
16 secretary for her to put in some final form of a status  
17 report of activities or something like that.

18 Q Well, I think my experience has been a lot of  
19 these PROF notes were so minuscule that we may have blown  
20 them up in order for them to be more readable but --

21 A I don't know. The point is that it's a summary  
22 of some of the more recent activities and where we are going  
23 on some of these issues. What can I deal with specifically  
24 for you?

25 Q Do you recall writing this PROF note in November,

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1 1986?

2 A More or less. It's consistent with general  
3 discussions we were having.

4 Q You indicate in there Kagan's<sup>E</sup> office, which was  
5 LPD, was folded under our command and control but continues  
6 to have a reporting responsibility to the IPC and SPG as  
7 part of my effort to give an interagency mandate.

8 You further indicate that you continue to chair  
9 weekly meetings to sustain public diplomacy effort and that  
10 DoD, CIA, USIA, and so on attend those meetings.

11 You go on to say, "We seek to lay out, implement  
12 broader international strategies, particularly Latin America  
13 and EUR."

14 What do you mean by Latin American and EUR? I  
15 assume that's Latin America and Europe.

16 A Right.

17 Q What are the broader national strategies you  
18 are implementing in this regard?

19 A I believe we have in the documentation, again  
20 in September, an example of the type of public<sup>A</sup> action plan  
21 that was produced by Otto Reich's office and what it is is  
22 an identification of the themes and the audiences we want  
23 to reach with those themes.

24 The themes would identify certain key points,  
25 including the democracy process that has taken place in

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1 El Salvador, Guatemala, Costa Rica and Honduras, including  
2 various aspects of the political and security situation in  
3 Nicaragua and an effort to try to generate greater under-  
4 standing and support by some political sectors in Latin  
5 America or Europe, or conversely, to try to minimize at  
6 least some of the opposition to the President's programs on  
7 those two continents.

8 Q What form did your efforts in Europe take?

9 MR. McGRATH: Objection on the grounds of  
10 relevancy to the committee's investigation.

11 MR. OLIVER: The relevancy is support in Europe  
12 for the President's Central American policies.

13 THE WITNESS: Briefly stated --

14 MR. OLIVER: The subject of this memorandum is  
15 Otto Reich, who is the head of the Office of Latin American  
16 Diplomacy.

17 MR. McGRATH: As long as it's Europe aspects of  
18 this only.

19 BY MR. OLIVER:

20 Q My question is, what form did your activities or  
21 your international strategies in Europe take to support the  
22 President's Central American policies?

23 A A number of different forms. We provided detailed  
24 talking points and backgrounders to our U.S. embassies  
25 abroad so they could speak on these issues, so they could

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1 reach out to the body politic.

2 We encouraged the travel of PAOs to Central America  
3 so they would have a better understanding of the situation and  
4 they could meet European press. We tried to join the center-  
5 left and left in dialogue so they would have a better under-  
6 standing of the views.

7 We made available, of course, all the publications  
8 that were produced by Otto Reich's office. There's nothing  
9 particularly unique about the various techniques that we  
10 were using to try to let information reach the right offices  
11 and, where necessary, try to have political officers in the  
12 embassies reach out to key labor and political leaders in  
13 Europe to make our case.

14 Q Were private organizations and individuals involved  
15 in this strategy?

16 A Not particularly. We did have several seminars  
17 in Latin America and in Europe sponsored in some cases by  
18 USIA funding to private organizations to cosponsor a  
19 conference in the region and then to bring a cross section  
20 of people together so the case could be heard.

21 One of the things we had hoped to do was have  
22 more Latins travel to Europe and more Europeans travel to  
23 Latin America so they could understand the situation better  
24 but there's always a problem of funding for that.

25 Q How did you seek to resolve that funding problem?

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1           A     Weren't able to do it very successfully. There  
2 aren't very many Latins to go to Europe and vice versa. We  
3 did encourage the germane foundations where possible to  
4 bring Latin leaders to Europe.

5           Q     Did you encourage any private-funding sources  
6 to help you with these efforts?

7           A     I don't recall, but I think it's one of the issues  
8 that did come up from time to time as something which would  
9 be worthy of private-sector funding because there were  
10 difficulties in USIA being able to transport Europeans to  
11 Latin America and Latin Americans to Europe. Legal problem,  
12 they had to go through the United States. It was clearly  
13 an area where private-sector support would be helpful, but  
14 I don't have very many examples, if any, where this has been  
15 done.

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1 Q Do you have any examples of where private funding  
2 was provided for this purpose?

3 A No, I don't recall.

4 Q Do you know whether or not <sup>the</sup> Heritage Foundation ever  
5 provided funds for this purpose?

6 A Europe to Latin America, Latin America to Europe?

7 Q Were your international strategies to influence  
8 European public opinion on Central American policy?

9 A My first responsibility was that link between  
10 Europe and Latin America. I do not know specifically of  
11 Heritage Foundation support for activities pertinent to  
12 Central America.

13 Q Do you know generally? You said specifically.  
14 Do you have any knowledge?

15 A No, I am aware of this issue came up in the  
16 hearings but I have never heard of that before. I'm not  
17 aware of any specific case.

18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]

22 Q I would like to ask the reporter to mark this as  
23 Raymond Exhibit No. 34.

(Raymond Deposition Exhibit No. 34  
was marked for identification.)

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2

1 BY MR. OLIVER:

2 Q This is a group of documents that bear the committee  
3 identification numbers N-16798, 16799, 16000 and 16001,  
4 through 16000.

5 MR. McGRATH: Off the record.

6 MR. OLIVER: Yes.

7 (Discussion off the record.)

8 MR. OLIVER: Back on the record.

9 BY MR. OLIVER:

10 Q Mr. Raymond, in the first memorandum in this  
11 packet dated August 7, '86, from you to John Poindexter,  
12 is that your signature?

13 A Yes, it is.

14 Q In the first paragraph you put in response to  
15 your PROF note "I prepared a memorandum for you to send to  
16 Bill Casey."

17 Do you recall what his PROF note asked you to do?

18 A My recollection of it is that he had, Bill Casey  
19 had contacted John Poindexter, and expressed his concern  
20 again with the Cabinet that the information program of the  
21 United States was inadequate and that we needed to have a  
22 more energetic effort.

23 He also recommended that Peter Daily might be a  
24 good person to contact to help on this.

25 Q And did you prepare the attached memorandum for

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3

1 Bill Casey?

2 A Well, Mr. Poindexter -- I don't have the PROF note,  
3 but I think his feeling was that Casey doesn't know, Casey  
4 doesn't know what is going on, and it might be useful to give  
5 him a status report, prepare something for him.

6 As you can see from the fourth line of this cover  
7 note of my note to Mr. Poindexter, there is some -- some  
8 question of revising the structure and so on. I essentially  
9 was saying that we have a structure in place. We are out  
10 there working, and that is what this memorandum to Casey  
11 summarizes.

12 Q How deeply involved in public diplomacy was  
13 Mr. Casey during this period of time?

14 A He was not.

15 Q Why are you sending a detailed memorandum talking  
16 about what you're doing, public diplomacy and having the  
17 entire public diplomacy plan?

18 A Well, one, as a Cabinet level official, he was  
19 very concerned about the implementation of our Central  
20 American policy. I think that when the question came up in  
21 the discussion between Mr. Poindexter and Mr. Casey, at  
22 which I was not present, Mr. Poindexter felt it might be  
23 useful for Mr. Casey as a Cabinet official to know what was  
24 going on.

25 To the best of my recollection, I did not discuss

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1 any of this directly with Mr. Casey.

2 Q You indicate in the third sentence of the first  
3 paragraph on the memorandum to Casey that --

4 A To Casey?

5 Q To Casey. You refer to the painstaking effort  
6 undertaken by many people in the government and outside.  
7 Who were the outside people you were referring to?

8 A I can't identify them. There were a lot of people  
9 in the private sector who were concerned with this issue.  
10 Jean<sup>E</sup>/Kirkpatrick was a person in the private sector at that  
11 time. There were many others who spoke out and expressed  
12 their concerns about the developments in Central America.

13 Q In the second paragraph you indicate that LPD  
14 reports directly to the NSC. Is that correct? They did  
15 report directly to the NSC?

16 A This is not good construction.

17 Q It's your construction.

18 A It's my construction. The LPD, as is clear from  
19 the appointment memorandum, works within the ARA structure  
20 and within the Department of State but still maintains that  
21 link back for reporting purposes to the SPG, and the  
22 sentence, this is a sentence which I know caused Congress-  
23 man Fascell some concern in the testimony. It's confusing.  
24 I think we did talk about this as my memory serves. We  
25 talked about this in early September. The group reported

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1 to the SPG.

2 Q In the bottom paragraph on that page, of this  
3 memorandum to Bill Casey, you indicate that a representative  
4 of the CIA Central American ~~task~~ <sup>2</sup> force participates in these  
5 weekly Central American public ~~diplomacy~~ <sup>1</sup> meetings <sup>3</sup> which you  
6 chair.

7 Did Mr. Casey ever express any concern to you  
8 about the CIA representatives participating in this public <sup>1</sup>  
9 diplomacy effort? I asked that question in light of the  
10 letter to John Poindexter from Bill Casey where he ~~points~~ <sup>1</sup> out  
11 his concerns about the legal prohibition.

12 A No, he did <sup>not</sup>, but it's important to recognize what  
13 the CIA's Central American ~~task~~ <sup>1</sup> force representative was  
14 doing. Since there was a covert program, it was important  
15 not to get the public ~~diplomacy~~ <sup>1</sup> process involved in any way  
16 which would compromise it, so in effect they were there to  
17 ensure that we did not mingle.

18 The second point is that they were in a position  
19 to provide us from time to time useful information,  
20 intelligence. They were monitoring what was being done  
21 publicly and openly. They in effect also served as  
22 insurance to prevent mingling covert and overt. We were  
23 very, very concerned to see to it that we did not get those  
24 lines tangled. We felt there was a major program out there  
25 we had to at least have them be aware of what we were

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1 doing as protection.

2 Q Well, you indicate on the second page that you  
3 want Peter Daily to meet with that group periodically. And  
4 Mr. Casey indicated that he couldn't do that because he was  
5 a CIA employee. Yet this memorandum indicates that he was  
6 informed that a CIA employee was also participating in the  
7 group. I'm trying to determine why legal prohibitions would  
8 apply to Peter Daily but not to someone from the CIA Central  
9 American task force.

10 A My question here is really, Mr. Casey says that  
11 Pete is subject to the legal prohibitions on us relating to  
12 activities tended to influence U.S. public opinion or policy.  
13 Any advisory role he plays in the public diplomacy front  
14 must, of course, be in accordance with legal restrictions.  
15 At no time did anyone from the Central American task force  
16 participate, ever, speaking to the question of influencing  
17 U.S. public opinion policy. Their role was totally passive  
18 in that area.

19 Q Isn't it true, Mr. Raymond, that Oliver North  
20 interacted in this group with the CIA representative in  
21 order to get documents declassified for use in the public diplomacy  
22 program?

23 A He interacted occasionally as I testified, not  
24 regularly.

25 Q Did you also testify that the CIA representative

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1 facilitated declassification of information gathered by  
2 intelligence sources and methods to be used by the public<sub>3</sub>  
3 diplomacy group?

4 A If we asked them to, if they could declassify a  
5 specific document, they would take that request back and see  
6 if they could. They were not coming down to us and volun-  
7 teering a lot of documents to be declassified for the  
8 American people; they were, we might on occasion, it was very  
9 rare, we might on occasion raise a question, and material  
10 would then be produced by the Department of State and the  
11 LPD series.

12 Q But the fact is, they did declassify intelligence  
13 documents for the use of the public<sub>3</sub> diplomacy group, is that  
14 not true?

15 A CIA has declassified documents forever, since  
16 their creation, on occasion for information, documents to be  
17 distributed, to be circulated, to be made available to the  
18 American people if requested by the Department of State or  
19 some other body.

20 Q Did the representative of the CIA who participated  
21 in your Central American public<sub>2</sub> diplomacy group ever facili-  
22 tate the declassification of documents containing information  
23 gathered through intelligence sources and methods for use  
24 of any of the participants in the Central American working  
25 group<sup>on</sup> public diplomacy which you chaired?

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1           A     I imagine they may have once or twice facilitated  
2 in response to a request from another official in the working  
3 group. They would never initiate the action nor could they.  
4 That was not their responsibility. If we saw them, intelli-  
5 gence, we might have seen it any time, brought it to  
6 attention of group and said, "This is an important document.  
7 Is it possible to declassify?" Then it would be appropriate  
8 for a CIA official, whether he is in that group or whether he  
9 is back in Langely, it doesn't make too much difference, to  
10 respond.

11           Q     The subsequent document in this exhibit indicates  
12 that public<sub>^</sub>diplomacy plan submitted by <sup>the</sup> Department of State  
13 was approved by the NSC staff. Why was the public<sub>^</sub>diplomacy  
14 plan of the Department of State submitted to the NSC staff  
15 for approval?

16           A     Well, again, this should have been written  
17 differently. I wrote it. It should read the SPG, but it is  
18 in that context that it was approved. However, it is not a  
19 unique occasion for one part of the government or another  
20 to submit a paper which has responsibilities for several  
21 departments to NSC for approval.

22           Q     But in this case, the State Department submitted  
23 a public<sub>^</sub>diplomacy plan?

24           A     To the NSC.

25           Q     To the NSC, for explaining U.S. Central American

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1 policy in Europe and Latin America to the NSC?

2 A Correct.

3 Q It indicates that part of the plan focuses on  
4 explaining same policies to international political organi-  
5 zations such as, et cetera, et cetera, Christian Democrats.  
6 Were those part of the plan carried out?

7 A What page are you on?

8 Q I'm on 16806, the memorandum to John Poindexter  
9 from Mr. Blatt.

10 A Okay. I see, yes. Efforts were made, the success  
11 of which is in the eye of the beholder.

12 Q Were any of those efforts made through private  
13 groups?

14 A I am not certain. I know that -- not directly.  
15 No, I know there is a relationship between the Republican  
16 International Institute and IDU, but no one in the White  
17 House, no one in the administration was leaning on Republicans  
18 to press the Central American policy with the IDU. I think  
19 the Republican International Institute believes strongly  
20 about Central America, and has spoken out about the concern  
21 for civil and human rights in Nicaragua, and the Sandinistas  
22 interrelationship, I think they have raised this in the IDU  
23 context. But a number of broader sense number of officials  
24 have been in direct touch with several of these inter-  
25 national --

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1 Q Were you the liaison between the National Security  
2 Council and Republican National Committee for this purpose?

3 A There was no purpose. In other words, nobody was  
4 dealing with the Republican International Institute on this  
5 issue.

6 Q Was there a time when you requested clearance from  
7 your liaison Republican National Committee because of an  
8 internal memorandum directing the staff of NSC not to be  
9 involved in the political --

10 A My recollection was that there was a memo dealing  
11 with the RNC. There was a response which indicated that in  
12 my responsibilities in the White House, that I had an ongoing  
13 contact with the Republican International Institute and was  
14 in touch with the chairman of the Republican National  
15 Committee.

16 Q In effect it was approval for that liaison, isn't  
17 that correct?

18 A I would think so, yes.

19 Q I would like to ask the reporter to mark this as  
20 Raymond Exhibit No. 35.

21 (Raymond Deposition Exhibit No. 35  
22 was marked for identification.)

23 BY MR. OLIVER:

24 Q This is a PROF note from Walter Raymond to John  
25 Poindexter dated 7-31 --

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1 MR. OLMSTED: I believe that it's dated up in the  
2 right hand.

3 BY MR. OLIVER:

4 Q '86, I think that is 8-26, which would be August  
5 26, 1986. The subject is Central American public diplomacy.

6 I would like to ask you to examine that PROF  
7 note, if you can, and tell me whether or not you recall  
8 sending this PROF note to Admiral Poindexter.

9 Do you remember writing this PROF note, Mr. Raymond?

10 A Yes, I do.

11 Q You put in there, "We believe we are operating  
12 within a really narrow window which turn around American  
13 perceptions, Reich Central America. Particularly the  
14 Nicaraguans will be chewed up by the Congress."

15 What was that narrow window you refer to in that  
16 PROF note?

17 A I can't match up the legislative track record  
18 with the actions here, but I think what I must have been  
19 referring to was the fact that we have to demonstrate what  
20 we are supporting is worth demonstrating, is worth supporting  
21 and this means to present, as described in here, the image  
22 of the contras, image of Nicaraguan resistance, to broaden  
23 their political base, to make them the kind of people the  
24 American people are prepared to support.

25 Q You indicate that you discussed the need to glue

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1 white hats on our team, et cetera. What are you referring to?

2 A Just what I said. In other words, the Nicaraguan  
3 democratic resistance has got to be honestly converted into  
4 a structure which supports the goals and objectives that  
5 American people can support, and I think a lot of the  
6 reorganization taking place in the last few months broadening  
7 the directorate and refocusing can have the goals and objec-  
8 tives have done that.

9 Q Who are you going to glue black hats on?

10 A Do I have black hats in here?

11 Q I think you had in the previous memo.

12 A The white hats are clearly the people that we were  
13 supporting, namely Nicaraguan resistance. Black hats I don't  
14 see in here, presumably unless something is changing in  
15 Managua, their hats are still really black.

16 Q You go on to say that the themes are those we have  
17 pressed, although we believe we could change dialogue away  
18 from contras to Democrats.

19 A Emphasizing the need for free and open, et cetera,  
20 nothing really new here -- which democrats are you referring  
21 to?

22 Q Were you referring to resistance?

23 A Yes, sir, sure, Nicaraguans.

24 Q And the key difference that he thinks --

25 MR. McGRATH: I wanted that to be on the record

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1 for your own benefit; since this was being entered as an  
2 exhibit, I didn't want someone to misconstrue your purpose  
3 here.

4 THE WITNESS: Lower cased.

5 BY MR. OLIVER:

6 Q The key difference that he thinks we should run  
7 more like political Presidential campaign. Did you agree  
8 with that?

9 A Well, I passed it on. I thought it was worth  
10 further discussion and that is one of the reasons why we,  
11 I was proposing, or that after Labor Day in the last paragraph  
12 we ought to talk further about it. I don't know how realistic  
13 something like that would be. The issue obviously anybody  
14 looking at four days' worth of testimony would know that I  
15 have constantly stated for years that there was need to get  
16 a broad bipartisan support out there among the American  
17 people on this issue, and frankly this is just a repeat of a  
18 theme all over again.

19 Q You indicate that names like Rolins, Nof<sup>4</sup>/<sub>1</sub>iger,  
20 and something else, were thrown around, and Kopp I guess.

21 A And K<sup>1</sup>/<sub>1</sub>opp.

22 Q Were thrown around. Were Rolins<sup>4</sup>/<sub>1</sub> and Nof<sup>2</sup>/<sub>1</sub>iger  
23 ever tapped to support this effort?

24 A Not to my knowledge.

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Q Were they ever involved in any way?

A Not to my knowledge.

Q In the next sentence you said, "Later in talking to Ollie and Bob Kagen, we focused on what is missing and that is a well-funded, independent outside group -- remember the committee for the present danger -- that could mobilize people." You go on to talk about a 501-C-3 tax exempt structure was needed; you seemed to agree with that.

Did you or what efforts did you make to try to bring about the creation of a well-funded, independent outside group?

A I didn't. The issue was there and basically I stated we need a horse, and the horse by definition means someone outside who is committed, as Paul Nitze was on Committee for <sup>the</sup> Present Danger, who is committed to the cause. It is not a question of whether you should be running the government; it is a question of <sup>whether the</sup> private sector should be <sup>seized</sup> ~~seized~~ nothing, I might say, has proceeded on past this discussion partially because Peter Dailey clearly could not remain involved, and did not.

Q You indicate in there that for discreet political reasons, this discussion of this 501-C-3 well-funded ~~the~~ outside group was not included in a memorandum to Bill Casey.

What were the discreet political reasons why this

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1 wasn't included?

2 A I didn't think it was a subject that should be  
3 discussed with him.

4 Q But you thought all the other matters?

5 A Those were community taskings and interagency  
6 processes that were underway, involving State Department,  
7 Defense, NSC, USIA, and we felt that he had the right  
8 to status report on this subject.

9 Q What was wrong with giving him status report  
10 on what the outside groups were doing?

11 A This was value judgment on my part, that was  
12 my attitude in that note, I could have been overruled by  
13 someone, but that is what my view was.

14 Q Those were the discreet political reasons?

15 A I just didn't think it was appropriate.

16 Q Several other of your memorandum refer to Bill  
17 Casey, in your conversation with Bill Casey about outside  
18 public relations specialists private funding, what had  
19 changed that caused you not to mention it in this memorandum?

20 A I can only state that what was in my mind; I  
21 didn't think it was appropriate.

22 Q You recommended in there that after Labor  
23 Day, whenever, back in the city, and that a meeting take place,  
24 with Peter Dailey, et cetera, Elliott Abrams, Bob Kagen,  
25 and you, what was -- did that meeting ever take place?

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1 A I -- no, it did not..

2 Q You were recommending that this meeting be set  
3 up with private people and these government officials that are  
4 mentioned here, Abrams and North and you; is that correct?

5 A Right.

6 Q You thought it would be appropriate to have this  
7 discussion with these private people about this subject?

8 A That is correct.

9 Q Was the purpose going to be to encourage the  
10 establishment of this well-funded independent outside 501-C-3  
11 group?

12 A To consider whether there was sufficient outside  
13 private interest, and whether there were people concerned  
14 about this issue that were prepared to take a leadership  
15 role, as a matter of fact, nothing has happened on this.  
16 At least as far as I am personally concerned, I can only  
17 speak to my time in the NSC.

18 #7 fls

19 McGinn

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#7

1 Q I would like to go back for a moment to the  
2 previous exhibit, which is the memo from you to John  
3 Poindexter on August 7, 1986. On the last sentence  
4 in the memo on that page, you proposed to have Peter Daily  
5 coordinate private sector activities such as funding  
6 that currently cannot be done by either CIA or State.

7 Who were you proposing have Daily do that?

8 A First of all, we are discussing actually  
9 aspects of this PROF note. We are talking if there were  
10 to be or were not to be -- if I am reconstructing this  
11 correctly -- I think we are talking about something  
12 equivalent to an independent outside group of some fashion.  
13 My counsel points out the sequence of events, the timing  
14 is wrong. That is true. But we had discussed this  
15 previously with Peter and the whole thing begins to  
16 change when he is not in a position to personally play  
17 an active, outside role.

18 Q But if he wasn't, who was going to have him do  
19 this?

20 A I don't know.

21 Q You said I would propose to have him meet.

22 A This is all ~~for~~ sort of shades of Chapin. This  
23 is all in conjectural stage. There was a desire to have  
24 an outside group. There were some very preliminary  
25 conversations. Essentially, the discussion began to fall

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1       apart when we found out that Peter Daily was no longer  
2       available for that kind of consideration.

3           Q     Were you proposing that John Poindexter have him  
4       meet with this group?

5           A     I think the point I am trying to make is the  
6       issue was not thought through in a detail. You are  
7       getting the first fragments of an idea that was under  
8       discussion. Peter Daily was a very fine public diplomist.  
9       We could use his expertise and guidance and counsel that  
10      would be very good. He felt, as I think is shown in one  
11      of these documents, it would be useful to have some sort  
12      of a bipartisan group.

13                But before the bipartisan group could ever be  
14      created, a number of events intervened, not the least of  
15      which was Peter Daily's new job.

16           Q     When you refer to coordinating private<sub>A</sub>sector  
17      activities such as funding that currently cannot be done  
18      by either CIA or State, what private<sub>A</sub>sector activities are  
19      you talking about?

20           A     I am not referring to anything concerning  
21      funding of the contras. I was referring to some kinds of--

22           Q     I am sorry. Would you --

23           A     Not referring to funding of the contras. I was  
24      talking about information activities in a general sense.

25           Q     Why couldn't they be funded by CIA or State?

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1 A In the United States?

2 Q Well, you had -- State was already contracting  
3 IBC to put out these documents.

4 A Well, I think that is different than a public  
5 support group.

6 Q When you said in the United States, did you  
7 think there was a problem there?

8 A I think there was an information gap in the United  
9 States.

10 Q You didn't think there was something wrong with  
11 them coordinating private sector activities, funding public  
12 diplomacy in the United States?

13 A Who is them?

14 Q The private sector activities that are being  
15 carried out by people.

16 A I am having a very difficult time proving a  
17 negative. There isn't any activity here. I don't think  
18 what I am referring to here there is anything wrong with  
19 it.

20 Q I am just trying to determine what funding were  
21 you referring to that could not be done by CIA or State.

22 A I believe what I am referring to here is the--  
23 if we were going to have something like a bipartisan group  
24 interested or concerned with Central America, this could  
25 not be done by the CIA or State.

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1 Q So you wanted him to coordinate funding for  
2 private sector activities which couldn't be done by  
3 State. What would those be?

4 A Well, if you got -- first of all, we are in a  
5 very theoretical mode of a group that doesn't exist, and  
6 if it did exist, what are some of the things it might do.  
7 I can't speak to what it might do, because it doesn't  
8 exist. But nevertheless I will proceed on.

9 Q The proposal existed.

10 A The proposal that we see throughout the ~~document~~  
11 <sup>dis</sup> course was some way to get a higher degree of activity,  
12 informational activity in the United States. As we have  
13 seen other proposals, it would be useful to have some  
14 people who are information specialists find ways to get  
15 the story more to the American people.

16 One type of thing might be to provide recourse  
17 for travel expenses for Central American citizens to come  
18 to the United States so that they could articulate their  
19 views. Another might be the publication of certain types  
20 of materials.

21 Q The CIA couldn't bring figures from Central  
22 America to the United States?

23 MR. OLMSTED: To the extent that requires his  
24 legal conclusion, he can state what he understands.

25 MR. OLIVER: Let me rephrase, counsel.

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1 Q Are you aware of CIA ever bringing Central  
2 American figures to the United States who were utilized for  
3 public diplomatic activities?

4 A I am not aware, but I am not making a statement  
5 that it never happened because I don't know the details on  
6 that.

7 Q Do you know whether it ever happened?

8 A I don't know.

9 Q You have on this memo to Poindexter the concurrence  
10 of Ollie North, Ray Burkhart and Vince <sup>Concurrence</sup> ~~Concurrence~~

11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]

14 A Which -- I am sorry. Okay. You are asking  
15 about these three gentlemen here?

16 Q Yes.

17 A <sup>Garnistead</sup> ~~Concurrence~~

18 Q He was in the Intelligence directorate?

19 A Correct.

20 Q Why did you seek his concurrence to send a memo  
21 to Bill Casey and to concur in the recommendations or the  
22 proposal about having Peter Daily do the things that you  
23 outlined in here?

24 A He was concurring in the fact that there was a  
25 memo going to Bill Casey and it was appropriate, although

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1 sometimes these niceties were not always observed, it  
2 was appropriate to coordinate with the Intelligence group.  
3 If not, it was going to Bill Casey.

4 Q Do you recall your <sup>4</sup>deputy, Steve Steiner,  
5 accompanying Ollie North to a meeting in the Washington  
6 Hotel with Joe Godson?

7 A I did not recall that. I recall Steve Steiner  
8 meeting Joe Godson at one point. I do not recall Ollie  
9 North. I don't know that. Might be.

10 Q Do you know whether Ollie North met with Joe  
11 Godson?

12 A No, I do not know.

13 Q What was the purpose of Steve Steiner meeting  
14 with Joe Godson?

15 A Joe Godson was interested and concerned about  
16 American image in Europe, particularly the infrastructure  
17 of our allies. In other words, the communications, the  
18 dialogue among our allies on the one hand and the United  
19 States, which he felt had been strained by the INF debate.

20 Q Did it relate in any way to Central America?

21 A To the best of my knowledge, no.

22 Q Was Joe Godson involved in any way in the  
23 efforts to influence public opinion in Europe on behalf  
24 of the President's policies in Central America?

25 A I do not believe that he was involved in that

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1 aspect of it. I think he was involved only in terms of  
2 the U.S.- European debate.

3 Q But the U.S.-European debate also included  
4 support for the President's policies in Central America,  
5 didn't it?

6 A His principal focus was on security issues.

7 Q But it also included Central America?

8 A It could have. I don't know that for a fact.

9 Q There are a number of meetings on Oliver  
10 North's calendar with you and a number of them refer to  
11 meetings with you and other people. I would like to ask  
12 you about what the purpose of some of those meetings was.  
13 We have already discussed the meeting at Dan Kuykendall's  
14 town house. We discussed the meeting with Citizens  
15 for America that took place in the Situation Room.

16 There are several meetings with Buchanan, Elliott,  
17 Riley, Miller and Leyman. I assume that is the group we  
18 referred to earlier. Is that correct?

19 A What time frame?

20 Q Well, March 19, 1985, March 22, 1985 and March 26,  
21 1985.

22 A Yes. I think that is all related to the -- I  
23 can't, in this type of abstract exchange, I cannot assure  
24 that any of those meetings took place, even that are on the  
25 calendar. Ollie is better at calendar scribbling. Nor can

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1 I assure if it did take place he was present. But you  
2 are right. Those are some of the people that would have  
3 been involved in that discussion at that time.

4 Q On March 26, 1985 on his calendar it has a  
5 meeting with you, Buchanan, Riley, Elliott. I assume  
6 that is Ben Elliott, Miller -- I assume that is Jonathan  
7 Miller -- Lehman, Bouchet, Coldwell and Sims.

8 Did Lynn Bouchet attend any of those meetings  
9 for that group?

10 A I don't think so. I can't swear to it. I  
11 don't think so. If we were meeting in the context of the  
12 documentation that we have read before, we were talking  
13 about in-house and I don't believe he was present. I  
14 wouldn't swear to it, but I don't believe he was.

15 Q Was the reference in there to Ben Elliott or  
16 Elliott Abrams in the context of that group?

17 MR. MCGRATH: Is there any reason to believe  
18 Mr. Raymond would have knowledge about what Mr. North's  
19 intentions were on the notations in his calendar?

20 MR. OLIVER: My question was whether or not the  
21 Elliott that was in the group was Elliott Abrams or Ben  
22 Elliott. This is a group that we discussed earlier.

23 MR. MCGRATH: The question was whether the  
24 reference was to Ben Elliott or Elliott Abrams.

25

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1 BY MR. OLIVER:

2 Q Did Ben Elliott or Elliott Abrams participate  
3 in the group we have discussed earlier that included  
4 Pat Buchanan, Bob Riley, Jonathan Miller, ~~Cris~~ Lehman and  
5 yourself and sometimes Ollie North?

6 A Well, my recollection is that it is probably  
7 Ben Elliott. My recollection also is that these meetings  
8 did not take place as frequently as Ollie's calendar  
9 shows and that the make-up of the meetings ultimately were  
10 significantly different than so characterized on the card.

11 Q Did Elliott Abrams ever participate in any of  
12 those meetings?

13 A I don't believe he personally came. I believe  
14 we saw Jim Michael or somebody from his office came.

15 Q Did Ben Elliott attend some of those meetings?

16 A He attended at least once.

17 Q Do you know someone named Ambassador Borg?

18 A ~~Parker~~ As a matter of fact I never  
19 met him. I have talked to him on the phone a few times.

20 Q Was there a meeting set up with you and Ollie  
21 North and Ambassador Borg on June 2nd, 1986?

22 A Well, I may have met him once on that basis.  
23 Somewhere along the line I think -- I frankly don't recall.  
24 I think once. All right. I will accept the correction  
25 by saying there was a meeting.

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1 Q What would have been the purpose of the  
2 meeting, had it occurred?

3 A The purpose of the meeting, had it occurred,  
4 was to explore the possibility of following on from the  
5 Vice President's counterterrorism study which recommended  
6 that heightened public diplomacy effort be undertaken to see  
7 how we could put together a public diplomacy action plan  
8 to support the Government's counterterrorism effort and  
9 Parker Borg was the deputy head of the counterterrorism  
10 office, and Ollie North at that time was the head of the  
11 NSC Office.

12 Q Thank you.

13 You indicated that Michael ~~Kastin~~ <sup>Castine</sup> worked for you  
14 in the public diplomacy effort; is that correct?

15 A Briefly.

16 Q Were you ever aware of any relationship between  
17 Mr. ~~Kastin~~ <sup>Castine</sup> and a French citizen named Suhahn?

18 A After he died.

19 Q What did you learn about that?

20 A I simply knew they were good friends.

21 MR. MCGRATH: Could the record indicate the  
22 presence of Nick Wise.

23 MR. WISE: W-I-S-E, Associate Staff of the House  
24 Select Committee.

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1 BY MR. OLIVER:

2 Q What did you learn about Mr. Suhahn and Mr.

3 <sup>Custine's</sup>  
~~Kastin's~~ relationship with him?

4 A I learned nothing other than the fact they were  
5 good friends and that they had met when they had both been  
6 in Grenada at the time a private sector investment group  
7 went down there in probably very early 1984.

8 Q Is this the same Mr. Suhahn who was assassinated  
9 in Paris?

10 A The son was ~~assassinated~~. The son is the friend.  
11 There is a father also who is quite famous and obviously he  
12 is still alive. I think Mike <sup>Custine's</sup>  
~~Kastin's~~ friendship was with  
13 the son. I have not gotten involved in any detailed  
14 discussion with him. Because of the timely --untimely  
15 death there has been significant investigation. He  
16 is testified in various fora, and I have felt that it was  
17 not appropriate for me to seek to debrief him in detail.

18 (Recess.)

19 MR. OLIVER: I would like to ask the reporter  
20 to mark this as Walt Raymond Exhibit 36.

21 (The document was marked as Walt Raymond Exhibit  
22 36 for identification.)

23 BY MR. OLIVER:

24 Q This is a document dated November 25, 1983 bearing  
25 Committee I.D. Number N-37932 for Sharon Cooks<sup>E</sup> from

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1 Paul Thompson, subject, "Contact with the Republican  
2 National Committee." Mr. Raymond, does this memo relate  
3 to our earlier discussion about whether or not it would  
4 be appropriate for you to have this contact with the  
5 Republic<sup>an</sup>/National Committee?

6 A Yes, it does.

7 Q Was it ultimately decided that it was all right  
8 for you to continue to have this liaison?

9 A Yes, it was.

10 MR. OLIVER: Mr. Raymond, I have no further  
11 questions. I apologize for the length of this deposition,  
12 and I appreciate your cooperation and your patience. Thank  
13 you very much.

14 MR. BUCK: Mr. Raymond, I have just a few questions  
15 for you. Actually I have a few hours of questions. I  
16 would like to ask you about human rights abuses by the  
17 Sandinistas and Soviet active measures in the United  
18 States, which I am sure you could talk about for a long  
19 time. But maybe we will do that another time.

20 I think the questions I have for you concern the  
21 period of time from which you started at the NSC to the  
22 time at which you resigned from the CIA, in that time frame.  
23 I don't have the dates in my mind, but that is the time  
24 frame.

25 The question is during that time frame did you ever

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1 were you ever tasked by Bill Casey for anything?

2 THE WITNESS: No.

3 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

4 BY MR. BUCK:

5 Q Were you ever tasked by Clair George for anything?

6 A No, I was not.

7 Q Were you ever tasked by *CATT* [REDACTED] for anything?

8 A No, I was not.

9 Q Dewey Clarridge, same question.

10 A No.

11 Q Did you ever ask anybody at the CIA for a special  
12 favor in any way during that time period?

13 A Not that I can recall.

14 Q Is it fair to say that your relationship with the  
15 CIA during that time was non-existent? If you want, I  
16 will rephrase that question.

17 A Please rephrase that, question.

18 Q Is it fair to say that you did not have any day-to-  
19 day activities, nor were you tasked by the CIA during the  
20 time you were working at the NSC before you resigned from  
21 the CIA?

22 A I was not tasked by the CIA. I had ongoing  
23 contact with all of the intelligence community agencies,  
24 and that was a give and take. I mean there were things  
25 that from time to time they would ask NSC as an

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1 institution, but there was nothing that was specifically  
2 Walt Raymond. It was an institutional relationship.

3 MR. BUCK: I have no further questions.

4 MR. MCGRATH: I would like to note for the  
5 record the same conditions we set forth yesterday concerning  
6 the sensitivity and limited access of this deposition.

7 MR. OLIVER: It is our intention to have this  
8 deposition kept in the most secure conditions in the  
9 Select Committee with limited access and to have it  
10 declassified only by the normal procedures, which I  
11 believe are clearances with the White House and a vote of  
12 the committee.

13 MR. BUCK: I understand there was a representation  
14 made also about only a single copy.

15 MR. OLIVER: A single copy would be all right  
16 with me, but I don't know what the committee's procedures  
17 are related to the Senate; whether or not we are obligated  
18 to provide them with a copy.

19 Tom, if it is all right, I would like to stipulate  
20 that we will just have a single copy of this made by the  
21 reporters and kept in the secure storage area with limited  
22 access to be determined by the chairman..

23 MR. BUCK: The chairman can decide.

24 (Discussion held off the record.)

25 MR. OLIVER: Back on the record. We will seek to

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1 have one copy only made of this deposition, and to have  
2 it held under the most limited access conditions at the  
3 committee and subject to declassification by the normal  
4 procedures, which have been agreed upon by the White House  
5 and the committee.

6 MR. MCGRATH: Thank you very much.

7 (Whereupon, at 1:30, the deposition was

end bap 8 concluded.)

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5840THE WHITE HOUSE N 16849  
WASHINGTON

Administration

Kathy

FILE

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August 13, 1986

Bill

MEMORANDUM FOR THE HONORABLE WILLIAM J. CASEY  
The Director of Central Intelligence

SUBJECT: Central American Public Diplomacy (U).

I have looked into the question of our overall public diplomacy effort concerning Central America. A great deal of hard and effective work is being done. It is clear we would not have won the House vote without the painstaking deliberative effort undertaken by many people in the government and outside. (S)

The departure of Otto Reich has not resulted in any reduction of effort. His public diplomacy coordination office (LPD) has continued. Although the independent office was folded into Elliott Abrams' bureau, the White House has sent a clear tasker to the community that this limited reorganization in no way reflected a diminution of activities. On the contrary, the same interagency responsibilities are being exercised, and the group reports directly to the NSC. It continues to be one of the few offices in the government that is staffed by a truly interagency team, including representatives from State, USIA, AID, and Defense. The office chief is Bob Kagan, who is a young, bright and effective operator. In reality, the reorganization also means that Elliott Abrams plays a strong public diplomacy role, and in this way we have harnessed one of the best public diplomacy assets that we have in the government. (S)

There is a weekly Central American public diplomacy meeting which takes place in the Old EOB, chaired by Walt Raymond, and which includes not only the four organizations noted above but also the White House Press Office and Public Liaison Office, a representative from CIA's Central American Task Force, and key NSC Staffers. This group takes its policy guidance from the Central American RIG and pursues an energetic political and informational agenda. The group seeks to focus both on domestic public issues as well as the informational battle in Europe and Latin America. It generates requirements for major publication efforts. I will have the NSC Staff send you a package of some of the more recent publications. The group also works closely with the concerned legislative offices to be supportive in terms of the Congress-

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by K. Johnson, National Security Council

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signed, secure and in a practical way it deals with the on-going daily issues. As an example, issues the group dealt with last week included:

-- Steps to undertake EC support to Nicaragua;

N 16850

-- Development of programs to publicize in Nicaragua;

-- Support to the internal Nicaraguan opposition, including

-- Steps to strengthen the El Salvador public diplomacy effort. (S)

There is a comprehensive public diplomacy action plan for Latin America in Europe, and I am attaching a copy for you. This plan is monitored very actively by the LPD office, and periodic reports of activity are provided to the NSC. (S)

While this group ensures that the issue remains a high priority public diplomacy goal, I share your view that this program can certainly benefit by the professional skill and insight of Peter Dailey, and I am delighted that he is in Washington and available to provide time to help this effort. Peter met with the Thursday morning interagency group on August 7. It provided him an opportunity to hear first hand from the action officers and be briefed on their current programs. The exchange was useful, and Peter has committed himself to meet periodically with this group to help strengthen their effort. Bob Kagan, the interagency coordinator, will seek Dailey's counsel on a regular basis and will bring Elliott Abrams into this process. (S)

Peter underscored that the Nicaraguan issue remains a matter of great urgency and that the next year is critical. We must show progress both in Central America, but also in the eyes of the world community, if we are to sustain and support the democratic forces in Nicaragua. It will be necessary to "frontload" our public diplomacy on this subject so that we can strengthen our international support and change attitudes concerning this program. Certain themes that he recommended at the first meeting will be given serious consideration by the working group. One special area of importance concerns generating private sector support and funding. His assistance in this area would be of greatest importance. (S)

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3 UNCLASSIFIED

In summary, the public diplomacy community is hard at work and, I think properly focussed. Peter Dailey's input can be very valuable in energizing this effort, and we certainly intend to take advantage of his presence to strengthen and diversify the thrust of this program. (S)

*John* N 16851  
John M. Poindexter

## Attachments

Tab A Public Diplomacy Planning

cc:

*Dailey*  
*Wentzen*

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21 Jul 83

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MEMORANDUM

NATIONAL SECURITY COUNCIL

CHRON FILE

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July 21, 1983

N 46168

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: WALTER RAYMOND, JR.

SUBJECT: Central America Covert Action

I have taken several soundings following the closed House session. As you have probably heard, it was a relatively balanced meeting, a number of good points were made by our supporters and the opposition did not score any telling points. Reportedly, Robinson, Young, Whitehurst, Hyde, Montgomery, Stratton, Micka and Fascell all made helpful comments. Zablocki made a vague statement, indicating that Z/B was not perfect and we might amend it. Wright was not present. Attendance dropped off rapidly after the first hour or two and the House was relatively empty for the last two hours of debate. According to one report, Broomfield does not expect any movement. He thinks Zablocki is locked in but we might still try Wright. Zablocki reportedly thinks his bill will be defeated. I have no independent way of making a count.

I would like to offer the following ideas for your consideration:

-- That you (or Jim Baker, Ken Duberstein) hold a LSG meeting to identify any steps that should be taken before floor debate next week.

-- That you or others meet privately with Jim Wright to see whether there is a basis for compromise in the aftermath of the closed session.

-- That we consider the addition of one thought in our proposed compromise. (See attached discussion draft June 30, 1983.) Following on the Ortega statement and playing to what will be a Democratic desire for negotiations we might be able to accept language along the following lines:

"That it is the sense of Congress that the President take advantage of all opportunities for negotiation."

In terms of our discussion draft I doubt that we need to include any of the language on the commission since this is already in motion. Other textual adjustments that we discussed before are attached to this note.

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under provisions of E.O. 12958  
by K. Johnson, National Security Council

**UNCLASSIFIED**SECRET

N 46169

It is my understanding that any amendments will have to be tabled by tomorrow the latest according to House rules for floor action on this subject. Therefore if we are going to try to work something out with Jim Wright it will have to be done today or tomorrow unless the proposed date for floor debate is delayed.

NB: Following is possible language which can be used to deal with one of our concerns to be added as subsection (c):

(c) The prohibition contained in Subsection (a) shall be suspended in the event the President determines that the Government of National Reconstruction of Nicaragua has materially breached either of the agreements set forth in Subsection (b). Such suspension shall continue until the President determines that the breach has been corrected and that the Government of National Reconstruction of Nicaragua is again in full compliance with the agreements.

Coordinated with Al Sapia-Bosch

SECRET**UNCLASSIFIED**

MEMORANDUM

**UNCLASSIFIED**

NATIONAL SECURITY COUNCIL

SECRET

July 8, 1983

N 46170

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: <sup>W</sup>WALTER RAYMOND, JR.

SUBJECT: Central American Covert Action

Attached herewith is a decision memorandum for the President. There is a disagreement within the community concerning the appropriate next step in our Congressional strategy dealing with Central American covert action. I have sought to highlight the options with some background discussion of the key points. What it boils down to is do we accept a compromise which Bud, Chris Lehman and I believe may be the best language we can get or do we try to stonewall the whole thing. We might have the votes to defeat Zablocki-Boland but I doubt it. I doubt that we have the votes to defeat a renewal of Boland's December 1982 amendment. I think we should work for a compromise and try to get bipartisan support for this action. The key points if we were to arrive at a compromise would be House support for our program as long as it is not for the overthrow of the Sandinistas and until the Sandinistas stop intervening in neighboring countries. That is not a bad position to be in at this juncture. Furthermore a number of key members of Congress have negotiated in good faith with us and if we were now to back off and go for a full defeat of Zablocki-Boland there would be, in my view, negative political reactions. While I am sympathetic to the CIA and Defense concern about a renewal of the December 1982 Boland Amendment, it is my understanding from Bud that Jim Wright will not back off this point. We have lived with it to date and have built our Contra force up [REDACTED] It becomes a problem only if our basic policy toward Nicaragua changes.

Recommendation:

That you forward the attached to the President.

Agree \_\_\_\_\_

Disagree \_\_\_\_\_

Attachment

Tab I Memorandum to the President

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N 46171

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

SECRETACTION

MEMORANDUM FOR THE PRESIDENT

N 46172

FROM: WILLIAM P. CLARK

SUBJECT: Central America Covert Action

Issue

Should we approve a Congressional compromise on Zablocki-Boland which will permit us to continue our paramilitary covert action program in Central America while simultaneously continuing certain limitations on our activity.

Facts

The House passed (411-0) and the Senate concurred in a "Boland Amendment" in December 1982 which barred funding in FY 83 designed to over throw the Government of Nicaragua or provoke a military exchange between Nicaragua and Honduras. In April 1983 the House Permanent Select Committee on Intelligence developed a bill--HR 2760 (Zablocki-Boland)--which prohibits covert assistance for military operations in Nicaragua and authorizes overt interdiction assistance. This bill is due for discussion in a closed session of the House on/about July 19.

Discussion

HR 2760 is a fundamentally flawed piece of legislation. This is recognized by members from both sides of the aisle. We have held protracted discussions within the Administration and with selected Republicans and Democratic House members with the objective of seeking an acceptable middle ground. We have also benefitted by the passage of time which has permitted House members to become more aware of the key issues involved. At this juncture several alternative routes are developing:

-- We can try to defeat HR 2760 outright. Our best vote count is that HR 2760 will pass but it will be a hard and divisive fight. If HR 2760 passes it automatically includes restrictions which were in the December 1982 Boland amendment.

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-- We can try to orchestrate a compromise to HR 2760. Tab A includes a compromise developed with Jim Wright, Clem Zablocki, Dante Fascell, Bob Michel, Ken Robinson, Bill Young and others. It is based on a symmetry proposal originally suggested by Jim Wright and Bill Young which essentially calls for a cessation of our operations in Nicaragua upon entry into force of an agreement between Nicaragua and its neighbors providing for a verified cessation of Nicaraguan support to insurgents in Central American countries. It also includes language committing Nicaragua to negotiations and the acceptance of democratic principles, including free elections. Wright has insisted on the inclusion of the language of the original Boland amendment barring a US effort to overthrow the Sandinistas.

-- We could try to delay action further in the House and seek to develop a new Presidential Finding as requested by the Senate. Then, with the Senate on board, we could try to bring the House along. Even if the House passed HR 2760 it will die in the Senate. It remains quite possible that a House-Senate conference might accept Sec 801 of HR 2760 which is the original Boland Amendment as both Houses of Congress had previously supported it.

There is a division in the U.S. Government on the strategy. Defense and CIA believe we should not accede to a reenactment of the Boland amendment as a key to Wright's acceptance of symmetry. While State agrees an effort should be made to drop the Boland amendment, they believe the amendment is sufficiently permissive to allow pursuit of our current policy objectives. There is no essential reluctance to a true symmetry option, although all of us would prefer to add two points to Sec 802 of HR 2760 which would (1) authorize a resumption of operations if the Nicaraguans violate the agreement to stop helping the insurgents in other countries and (2) an amnesty for all members of opposition or resistance groups. This would protect our Nicaraguan freedom fighters.

To summarize, we believe the language is about as good as we will get in our negotiations with the House. If we are to seek a middle route we would be better off directing the compromise rather than allowing a series of uncontrolled amendments to steer the action. We may be able to add the specific points noted above re "amnesty" and "resumption of operations in the case of treaty violations":

-- Option 1: (Defeat HR 2760)

- o If we lose, we are no closer to solution.
- o If we win, we send a loud clear signal that we are proceeding forward actively with our program.

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N 46174

-- Option 2: (Develop compromise language in the House)

- o We can carry on with our program.
- o We will have bipartisan support largely built around a "symmetry" concept.
- o The negative aspects are that we will have accepted a limitation to our operations. (The inclusion of the original Boland language concerning overthrow.) We also stand the danger that we might be challenged that if the FSLN fell, we had violated the law.

-- Option 3: (Delay, work with the Senate)

- o The advantage is that we do not associate with a compromise or a limitation.
- o The disadvantage is that we lose some control over the situation and are likely to end up with at least the Boland Amendment if not more.

Recommendation

Yes	No	
_____	_____	That you authorize us to agree with the basic Wright-Young compromise (Tab A).
_____	_____	That you support our effort to try to add language in the compromise paper to include provisions for "amnesty" and for "a resumption of operations."

Attachment

Tab A      Amendment to HR 2760

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(DISCUSSION DRAFT--JUNE 30, 1982)

AMENDMENT TO H.R. 2760, AS REPORTED

OFFERED BY MR. \_\_\_\_\_

N 46176

Page 2, strike out line 10 and all that follows through line 8 on page 3 and insert in lieu thereof the following:

1 "PROHIBITION ON EFFORTS TO OVERTHROW THE GOVERNMENT OF

2 NICARAGUA

3 "SEC. 801. None of the funds appropriated for fiscal  
4 year 1984 for the Central Intelligence Agency or any other  
5 department, agency, or entity of the United States involved  
6 in intelligence activities may be used to furnish military  
7 equipment, military training or advice, or any other support  
8 for military activities, to any group or individual, not  
9 part of a country's armed forces, if the purpose of the  
10 United States in providing such support is to  
11 overthrow the Government of Nacaragua or provoke a  
12 military exchange between Nicaragua and Honduras.

13 "PORHIBITION ON COVERT ASSISTANCE FOR ANY MILITARY  
14 OPERATIONS IN NICARAGUA

15 "SEC. 802. (a) None of the funds appropriated for  
16 fiscal year 1983 or 1984 for the Central Intelligence Agency  
17 or any other department, agency, or entity of the United  
18 States involved in intelligence activities may be obligated  
19 or expanded for the purpose or which would have the effect  
20 of supporting, directly or indirectly, military of

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1 paramilitary operations in Nicaragua by any nation, group,  
2 organization, movement, or individual. N 46177

3 "(b) The prohibition contained in subsection (a) shall  
4 take effect upon the entry into force of an agreement by the  
5 Government of National Reconstruction of Nicaragua with the  
6 governments of other countries in the region--

7 "(1) that the Government of National Reconstruction  
8 of Nicaragua will not ship military equipment to, or  
9 otherwise support, antigovernment forces in any country  
10 in Central America;

11 "(2) that provides for effective multilateral  
12 verification of compliance with paragraph (1); and

13 "(3) to resolve the conflicts in Central America  
14 based on the principles affirmed in the Final Act of the  
15 San Jose Conference of October 1982 and the commitments  
16 made by the Government of National Reconstruction of  
17 Nicaragua to the Organization of American States in July  
18 1979."

Page 3, line 10, strike out "'802'" and insert in lieu thereof "'803'".

Page 5, after line 10, insert the following:

19 SEC. 2. (a) The Congress finds that--

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(1) Central America is of vital importance to the interests and long-term security of the United States;

(2) the social and economic crisis facing Central America arise in large part from long histories of poverty, social injustice, and lack of economic opportunity;

(3) military solutions alone are inadequate to deal with the challenge the United States faces in Central America, and efforts to resist Communist insurgency will be unsuccessful unless the serious social and economic injustices and human rights abuses of the region are addressed;

(4) respected leadership from all sectors of American society and from all regions should be drawn on to study and advise on the making of United States policy toward Central America; and

(5) an effective United States policy for Central America requires the understanding and support of the American people.

(b) Therefore, it is the sense of the Congress that the President should convene a national bipartisan commission to address the serious long-term problems of security, poverty, and democratic development in Central America, and to help build the necessary national consensus on a comprehensive United States policy for the region. Such commission

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N 46179

1 should--

2 (1) be composed of distinguished leaders of  
3 government, business, labor, education, and the Hispanic  
4 and religious communities;

5 (2) consult with governmental and other leaders of  
6 Central America, invite their views, and receive their  
7 recommendations on the policies which would best assist  
8 them in their long-range security needs and economic  
9 development; and

10 (3) report its findings and recommendations to the  
11 President and the Congress one hundred and eighty days  
12 after the date of enactment of this Act.

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Page 175

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2707 11 MAY 83 EX-5  
N 33367THE WHITE HOUSE  
WASHINGTON~~SECRET~~/SENSITIVE

May 11, 198

Walt Raymond

Subject: Release of additional [REDACTED]  
for the Nicaragua Program

Al Keel called me before leaving town to note that he was uncertain as to whether or not the CIA had consulted with the two committees on the release of the additional [REDACTED] for the Nicaragua program. Although he signed the release, he did not want it to go without confirmation that the consultations had, indeed, been carried out.

I talked with John McMahon Wednesday night. John confirmed that they had indeed briefed both committees without substantial opposition.

On that basis, please go see Arnie Donahue (in Keel's division) who is holding the release, and ask him to go ahead to dispatch it.

Many thanks

  
 [REDACTED]  
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 under provisions of E.O. 12356  
 by K. Johnson, National Security Council

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3 MAR 83  
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EX 4

MEMORANDUM

W 30399

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NATIONAL SECURITY COUNCIL

CONFIDENTIALACTION

March 3, 1983

MEMORANDUM FOR WILLIAM P. CLARK

FROM: <sup>WA</sup>WALTER RAYMOND, JR.

SUBJECT: Presidential Meeting with Funders

As you will remember you and I briefly mentioned to the President when we briefed him on the NSDD on public diplomacy that we would like him to get with some potential funders at a later date. Charlie Wick was given the lead to put this together. Charlie believed, and I think rightly, that we should develop precise plans that could be presented to the potential donors for their consideration. He also felt that the initial focus should be principally on Europe where we must generate greater European private support for our policies.

To accomplish these objectives Charlie has had two lengthy meetings with a group of people representing the private sector. This group has included principally program directors rather than funders. The group was largely pulled together by Frank Barnett, Dan McMichael (Dick Scaife's man), Mike Joyce (Olin Foundation), Les Lenkowsky (Smith Richardson Foundation) plus Leonard Sussman and Leo Cherne of Freedom House. A number of others including Roy Gessen have also participated. The private group has put together a \$5 million package for funding.

Charlie is comfortable with the package and ready to sell it to the private sector. He wants to set up two meetings for March 21. He would like to bring his potential donors together with representatives of the private sector (Barnett, McMichael, Cherne) with himself and Peter Dailey. The problem of Europe and the program would be discussed. He would like this meeting to take place in the Roosevelt Room at 3:00 p.m. I have reserved the Roosevelt Room for two hours. He would like you to drop in for a brief time with this group.

The group that is clearly on board includes: David Rockefeller, Dwayne ~~Adams~~, Henry Salvatori and Rupert Murdoch. He expects that Carl Lin ~~and~~ Clint Murchison, Jr. will also attend. He will add one or two others but he does not want the group to be larger than six or seven. He anticipates that each of these people will make a large pledge. He also expects that each, after his visit in Washington will seek to gain three or four additional supporters. While the program will initially focus on Europe it is obvious that this type of a core could be built upon to provide funding to broader aspects of project democracy.

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The key to this is a meeting with the President. Charlie would like the President to dine with this group on the evening of March 21. Can you confirm this? Charlie has had some discussion on this subject and believes he has a tentative green light.

Charlie is very anxious to get a commitment on the proposed points noted as recommendations below by close of business March 4. He will be leaving the country this weekend on official business for the better part of two weeks and would like to issue formal invitations.

**Recommendations:**

That you concur in the meeting in the Roosevelt Room on March 21.  
(I have reserved the room from 3-5:00 p.m. on a contingency visit.)

Agree \_\_\_\_\_

Disagree \_\_\_\_\_

That you agree to meet briefly with the group in the Roosevelt Room.

Agree \_\_\_\_\_

Disagree \_\_\_\_\_

That the donors plus Charlie, you and Peter Dailey dine with the President on March 21.

Agree \_\_\_\_\_

Disagree \_\_\_\_\_

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13 Jul 83 EX7

NSC/ICS-400499  
(Add-on)

MEMORANDUM

NATIONAL SECURITY COUNCIL

N 43630

~~SECRET~~/SENSITIVE

July 13, 1983

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: KENNETH deGRAFFENREID *de*  
OLIVER L. NORTH *V*

SUBJECT: Memorandum of Notification on Nicaragua

In connection with the [REDACTED] MON on Nicaragua, Walt Raymond has suggested that you might want to call Ken Robinson and Bill Young and advise them that we will be sending up a reserve release imminently so that they do not get caught by surprise. Both committees are already aware at the staff level at least that the program will increase to [REDACTED]. The only issue is when they receive the advisory note of the additional [REDACTED] commitment and the relationship of that advisory note to the Zablocki-Boland floor debate. Such a telecon would give Robinson/Young an opportunity to express any concern, and for you to make further suggestions on how this issue affects our legislative strategy.

Recommendation

That you telephone Ken Robinson and Bill Young.

Approve \_\_\_\_\_

Disapprove *RM*cc: Al Sapia-Bosch  
Walt Raymond

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Package # 468  
N 34569

SEQUENCE TO

HAS SEEN

ACTION

John Poindexter

Bud McFarlane

Jacque Hill

Judge Clark

John Poindexter

Executive Secretary

Situation Room

I-Information

A-Action

B-Retain

D-Dispatch

N-No further A

DISTRIBUTION

cc: VP Meese Deaver Other

COMMENTS

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0	Name and Address	Date	Initials
1	Robert C. McFarlane		
2			
3			
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5			
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REMARKS:

NSC/ICS CONTROL NO. 400499  
(Add-on)

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HANDLE VIA SYSTEM IV CHANNEL ONLY

# NSC INTELLIGENCE DOCUMENT

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Information  
Agency

Washington, D.C. 20547

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March 7, 1983

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N 30896



**MEMORANDUM FOR:**

The Honorable  
Judge William P. Clark, Jr.  
Assistant to the President  
for National Security Affairs

**FROM:**

Charles E. Wick *EW*

**SUBJECT:**

Request for the President to  
Host a Dinner on March 21 to  
Encourage Private Sector  
Efforts for Public Diplomacy as  
per NSDD #77

**Background**

As you know, in NSDD 77 the President established a new mechanism in order to "strengthen the organization, planning and coordination of the various aspects of public diplomacy...relative to national security." The President noted in his establishment of the International Political Committee and in his delineation of its responsibilities:

"This will require close collaboration with other foreign policy efforts--diplomatic, economic, military--as well as a close relationship with those sectors of the American society--labor, business, universities, philanthropy, political parties, press--that are or could be more engaged in parallel efforts overseas."

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**CLASSIFIED BY:** CHARLES E. WICK  
**OFFICE SYMBOL:** D  
**DECLASSIFY (OR DOWNGRADE) ON:**  
"Originating Agency's  
Determination Required"

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Recognizing that maximizing the parallel efforts of such private organizations is critical to overall public diplomacy programs, you indicated to the President in your memorandum of January 13, 1983 that:

"Our intention is to supplement our commitment of public funds with private funds as well. Some of the public funds would be allocated to private U.S. organizations which could conduct certain programs overseas more easily than the USG. We will develop a scenario for obtaining private funding. Charlie Wick has offered to take the lead."

At the SPG meeting on January 26, 1983, you again mentioned that I should develop the program for private funding and stated that the President has agreed to host a dinner for potential donors.

#### 1. What Do We Want - The Plan

We have all agreed that parallel private efforts are desperately needed now to complement the government program for European security and arms control being directed by Ambassador Peter Dailey. We need to counter the avalanche of public criticism of deployment which General Rogers and others believe will take place when site preparations begin at the basing countries. According to General Rogers, without our efforts, activists may frustrate site construction in May and jeopardize the timetable for deployment.

I have asked a small group of prominent individuals to meet on March 21 to discuss the funding of activities which could be undertaken in the next nine months in hopes of enhancing our position. A list of the activities to be undertaken is being developed by Peter Dailey, Dr. George Gallup, Walt Raymond and members of my staff.

Our preliminary opinion is that activities requiring funding of \$5 million would have a good chance of helping secure deployment should that be necessary in the absence of an arms control agreement. The individuals invited to the meeting have the ability to donate the required funds or to raise the funds from others.

I hope that you will be available to say at least a few words to impress the need for action upon the potential donors at our meeting from 3:00 to 5:00 p.m. in the Roosevelt Room on the 21st.

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## 2. Role of the President

Demonstration of the importance of these private sector efforts parallel to our public diplomacy program would be dramatically achieved if the President could host a dinner for those in attendance at the March 21 meeting. The President could lend his encouragement to efforts undertaken in the private sector at this critical juncture. He would underscore the seriousness of the situation in Europe.

## 3. Who Will Be Invited?

Potential donors attending the meeting and dinner would be David Rockefeller, Dwayne Andreas, Henry Salvatori, Rupert Murdoch, Sir James Goldsmith and a deputy of Axel Springer. I am working to add a few more and will keep you informed of additions as they are made, but the group will be kept small.

## Conclusion

I am committed to the strengthening of our public diplomacy efforts as directed by the President in NSDD #77, particularly in light of the challenges we face in Western Europe during the coming months. I believe the private efforts can help the President. I hope he will be able to host a dinner for the participants after our March 21 meeting.

**UNCLASSIFIED**

12 May 83

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THE WHITE HOUSE  
WASHINGTON

May 12, 1983

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Mr. McFarlane:

Bob Drews called --

You and Al Keel have discussed  
a letter which Dr. Keel has signed  
but it is being "held" at your  
request.

Do you have any guidance for me to  
pass back to Dr. Keel's office?

Wilma

He should go ahead to release it.

Both committees have been briefed and  
expressed no opposition.

Sud

5/13 am  
Hornum Rem  
and to  
Bob Drews

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EXHIBIT #18

12 Sep 83

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## MEMORANDUM

SECRET/SENSITIVE NATIONAL SECURITY COUNCIL  
September 12, 1983  
INFORMATION

N 6828

MEMORANDUM FOR WILLIAM P. CLARK

FROM: WALTER RAYMOND, JR.

SUBJECT: SIG Meeting on Central America, September 9

The SIG met to review the general strategy concerning Zablocki/Boland and the related question of the new Presidential Finding. Eagleburger chaired.

The basic conclusions on strategy included:

-- We would push for a Presidential Finding soonest. This would permit us to implement a strategy designed to gain the support of the Senate and put us into a good position with the House. Incidentally, the Finding itself is in good shape having been thoroughly scrubbed by a small group including Al Sapia-Bosch and myself on September 8. (See Tab I.)

-- The DCI would test SSCI reactions with preliminary discussions over a draft Finding with Goldwater, Moynihan and possibly Lugar, Bentsen and Chafee. Pam Turner urged contact with Howard Baker too.

-- As soon as the DCI has tested the waters on the Hill, he would make adjustments in the PF and seek a quick NSPG. There was no commitment concerning an NSPG date although CIA asked for an NSPG on Monday September 12. The SIG recognized that the faster we can get a Finding to the Hill the more chance we have to use our "Senate first" strategy. (I would personally judge that if Casey meets with the key Senators on Monday that he could request a brief delay in his currently scheduled SSCI hearing of 0900 hours on September 13. He should tell the Senators he will take their views into consideration in adjusting the Finding. Then, submit a revised PF to NSPG principals by COB Monday September 12. We could meet--schedules permitting--on 13 or 14 September at the NSPG and he could brief the Hill 15 or 16 September.)

-- Following a SSCI hearing of the new PF, we would press for fast Senate floor action on the Intelligence Authorization Bill thus locking in the Senate. (All holds off if we get clobbered in the SSCI.) We anticipate a Kennedy-Pell amendment similar to Zablocki/Boland. A strong win in the SSCI will help here.

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Johnston, National Security Council

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-- Following Senate action we would hope to water down Zablocki/Boland. There will probably be a role permitting one amendment--by Ken Robinson. We will sort out with our House supporters whether he uses it to have a straight up/down vote on Zablocki/Boland or whether he tries to add on Mica type symmetry language. (See Tab II.)

-- State is developing appropriate briefing materials for our concerted legislative action plan. The legislative strategy paper circulated was a modest one and Eagleburger requested that it be expanded. (See Tab III.) When the question of "leadership" emerged--who is in charge?--Dam's SIG was first identified. This was further expanded by the comment that the Duberstein network--including the legislative council elements in State, NSC and CIA would serve as the action team for legislative action.

**Attachment**

Tab I      Draft Presidential Finding  
Tab II     Amendment to Zablocki/Boland  
Tab III    Legislative Strategy

cc: Al Sapia-Bosch  
Ollie North  
Chris Lehman  
Ken deGraffenreid

**UNCLASSIFIED**SECRET/SENSITIVE

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Finding Pursuant to Section 662 of  
The Foreign Assistance Act of 1961,  
As Amended, Concerning Operations  
Undertaken by the Central Intelligence  
Agency in Foreign Countries, Other than  
Those Intended Solely for the Purpose  
of Intelligence Collection

I hereby find that the following activities are important to national security of the United States, and direct the Director of Central Intelligence, or his designee, to report this Finding to Intelligence Committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.

SCOPEPURPOSE

NICARAGUA

support, equipment and training  
 assistance to Nicaraguan  
 resistance groups as a means to

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N 6831

- 2 -

pressure the Sandinistas and Cubans and their allies to cease their support for regional insurgencies; to hamper Cuban/Nicaraguan arms trafficking; and to bring the Sandinistas into meaningful negotiations and constructive agreements with their neighbors.

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Page 3 N 6832

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- 4 -

N 6831



The Director of Central Intelligence is directed to ensure that this program is continuously reviewed to assure that its objectives are being met and its restrictions adhered to.

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Page 5 N 6834

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N 6835

  
THE NICARAGUA FINDING

This Finding replaces the 1 December 1991 Finding



This Finding authorizes the provision of material support and guidance to Nicaraguan resistance groups; its goal is to induce the Sandinista government in Nicaragua to enter into meaningful negotiations with its neighboring nations; and to induce the Sandinistas and the Cubans and their allies to cease their provision of arms, training, command and control facilities and sanctuary to

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N 6036

- 7 -

regional insurgencies.

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Pages 8 and 9 N 6837 - N 6838

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## AMENDMENTS to H.R. 2968 (Collective Security)

Offered by \_\_\_\_\_

N 6839

On page 5, line 22, immediately after "Sec. 108.",  
insert "(a)".

On page 6, between lines 3 and 4, insert the following:

(b) The prohibition contained in subsection (a) shall take  
effect when --

- (1) the Government of National Reconstruction of Nicaragua has ceased its activities (including the furnishing of arms, personnel, training, command and control facilities and logistical support) in support of military or paramilitary operations by antigovernment forces in any country in Central America or the Caribbean;
- (2) the Government of National Reconstruction of Nicaragua is implementing the commitments it made to the Organization of American States in July 1979; and
- (3) the cessation of such activities and the implementation of such commitments has been verified by the General Assembly of the Organization of American States, or by the President of the United States in a report to Congress.

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9/1/83

**UNCLASSIFIED**LEGISLATIVE STRATEGY

N 6840

**I. Introduction**

In order to avoid a legislative prohibition denying authority of funds to support covert operations in Nicaragua, we should seek to avoid action on any free-standing bill such as Boland-Zablocki (H.R. 2760) or its Senate equivalent (Kennedy-Pell). However, in the absence of Congressional action on the FY 1984 Intelligence Authorization Bill and FY 1984 DOD Appropriation Bill, or on a Continuing Resolution, funding for the current program will expire on September 30. Therefore, we must press for legislation in September to continue funding for the program and must be prepared to deal with harmful amendments in that content.

**II. Objectives**

At the interagency meeting September 7, there was general agreement on the following key elements of our strategy:

--Among the items of legislation that are likely to be acted on by the Congress, our preference would be to have a Senate vote first on the Intelligence Authorization Bill and try for a clean bill without restrictions. (If the House were to vote first and adopt an amendment, then our opponents in the Senate might press a similar amendment in order to weaken our position in Conference.)

--In the House, we should seek to amend the flat ban on funding for covert activity in Nicaragua now contained in the Intelligence Authorization Bill. An alternative along the lines of the Mica Amendment, supported earlier by friendly Democrats, is likely to draw more votes than an effort to strike the ban entirely.

**III. Initial Consultations****Senate**

Secretary Shultz will meet with Senator Baker early next week. At that time, he should seek to ascertain the likely sequence of relevant Senate actions, indicating Administration preference for early passage of the FY 1984 Intelligence Authorization Bill, without amendment.

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DCI Casey will meet with Senate Select Committee on Intelligence leaders early next week. He should make the same point, and should elicit their views on how the Administration can help gain support for passage of the bill as reported by the Committee.

#### House

Deputy Secretary Dam should meet with Congressmen Michel and Robinson next week. He should:

--Elicit their views on the likely sequence of relevant House actions, indicating our preference that the issue be joined on the Intelligence Authorization Bill, and that the Senate act first.

--Explore the prospects for obtaining a Rule on the bill that would permit a floor amendment delaying any funds cutoff until our policy objectives are met. (This should also be explored with Trent Lott.)

--Seek their sponsorship of an amendment along the lines of the Administration draft.

--Share with them our list of members (attached) whose votes might be changed and ask their advice on approaching these or other members.

#### IV. Follow-on Action

Based on the results of these talks, we should:

--Organize a campaign of personal telephone calls and visits to be conducted by senior officers in State, DOD, and the NSC, directed at those members identified as appropriate targets. In State, Assistant Secretary Motley, Ambassador Stone, Ambassador Reich, Ambassador Middendorf, and Mr. Derwinski should all be engaged in this effort, in addition to the Secretary, Under Secretary, and E.

--Set up informal breakfast meetings with key members to be hosted by senior officials at CIA, State and Defense.

--Consider a White House breakfast meeting with the President for key Senators suggested by Senator Baker.

--Prepare materials to be distributed under covering Dear Colleague letters from supportive Members of Congress.

Attachment:

As stated.

**UNCLASSIFIED**  
~~SECRET~~

**UNCLASSIFIED**VOTE ANALYSIS OF THE BOLAND-ZABLOCKI BILL

On July 28, six separate House floor votes took place on Boland-Zablocki or various alternatives. These were the first floor votes on any element on our Central America policy in four years, and turnout was heavy. N 684C

Most House Members were solidly consistent in their voting. 187 Members supported the Administration on all important votes, 145 Republicans and 42 Democrats. 200 Members were just as solidly opposed, 195 Democrats and 5 Republicans.

The Administration won narrowly on the first of the six votes, an amendment defeated by 214-213. After that our support eroded until the final adverse vote of 221-195.

Our vote analysis has identified 26 key "swing votes," 12 Republicans and 14 Democrats. These Members voted for Boland-Zablocki on final passage, but supported Administration positions on one or more earlier amendments. In contrast to these 26 "soft" opponents, our vote analysis identifies 13 "soft" supporters, 5 Republicans and 8 Democrats. The only four House Members not present all appear potential Administration supporters. A listing of the key "swing votes" follows.

While these key targets should receive the highest level of our attention, our Congressional effort must also include meetings with our key supporters to give them reassurance and support.

HOUSE "SWING VOTES" ON BOLAND/ZABLOCKI

"SOFT" OPPOSITION: Members voting for Boland/Zablocki on final passage, but supporting Administration positions on earlier amendments:

REPUBLICANS - 12

Coughlin	(PA)
Evans, Cooper	(PA)
Fish	(NY)
Horton	(NY)
Pritchard	(WA)
Ridge	(PA)
Williams, Kyle	(PA)
Zschau	(CA)
McKernan	(ME)
Snowe	(ME)
Boehlert	(NY)
Jeffords	(VT)

DEMOCRATS - 14

Brooks	(TX)
Mazzoli	(KY)
Andrews	(TX)
De la Garza	(TX)
Biaggi	(NY)
Carper	(DE)
English	(OK)
Hefner	(NC)
Hughes	(NJ)
Jones	(NC)
MacKay	(FL)
Ortiz	(TX)
Valentine	(NC)
Whitley	(NC)

TOTAL: 26

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"SOFT" SUPPORTERS: Members voting against Boland/Zablocki on final passage, but abstaining or opposing Administration positions on one or more earlier votes:

REPUBLICANS - 5

Molinari (NY)  
Strangeland (MN)  
McDade (PA)  
Solomon (NY)  
Martin (IL)

DEMOCRATS - 8

Applegate (OH)  
Bevill (AL)  
Flippo (AL)  
Gaydos (PA)  
Levitas (GA)  
Murtha (PA)  
Boner (TN)  
Tallon (SC)

TOTAL: 13

OTHER POTENTIAL SUPPORT: Members not present or voting on Boland/Zablocki, but possible supporters:

REPUBLICANS - 1

Chappie (CA)

DEMOCRATS - 3

Dowdy (MS)  
Heftel (HI)  
Jones (TN)

TOTAL: 4

UNCLASSIFIED

25 JAN 83 EX 11  
EXHIBIT #19**UNCLASSIFIED**

11028

N 39016

25 January 1983

TO: The Director

FROM: W. Scott Thompson

SUBJECT: Walt Raymond's Memorandum to Judge Clark

Attached you will find a copy of a draft memorandum from Walt Raymond to Judge Clark. I secured this through the back-channel, so we should not discuss it in any way except among ourselves. We should not mention it at the January 26th SPG meeting, but you should read it for your own information. The main points are:

1. The NSSD is on track with the endorsement of the President.
2. The budget effort on behalf of Project Democracy is moving ahead:
  - a. USIA is the lead agency, with the cooperation of State and AID, on the legislative strategy.
  - b. Private funds are also needed, and the President is willing to have you take the lead in putting together a meeting for him with a group of potential private donors.
3. The IIC, with your guidance, should pursue several key issues:
  - a. Soviet propaganda
  - b. the "Post-Soviet World" project (designed to dispel the myth of Soviet invincibility and inevitability)
  - c. development of the NSSD on International Information
4. An infrastructure for managing the new system will be provided by a weekly meeting of Bob Sims (Public Affairs Committee), Carey Lord (Broadcasting), Scott Thompson (Information Committee), Jerry Helman (Political Committee), and Walt Raymond.
5. Each committee will generate its own staff support, and this will require significant resource enhancement in the various agencies and departments.

**UNCLASSIFIED**

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PUBLIC DIPLOMACYNSDD Implementation: First Special Planning Group Meeting

N 39017

## 1. Restatement of purpose:

- Provide central focus for insuring greater commitment of resources, greater concentration of effort in support of our foreign policies: call it political action, if you will.

- Includes initiatives under both the "public diplomacy" and "democracy project" rubric.

- We have a chance to try to maximize our total effort in this field.

## 2. Progress to date:

- The President has signed the NSDD on Public Diplomacy, solidly endorsing our course of action.

- Our initiatives must take into consideration our public and private capabilities in the U.S. and abroad.

- We have dealt with the budget questions concerning programmatic buildup of our governmental programs. At the BRB on December 18, we agreed to submit to the President for inclusion in FY 84's budget \$65 million for "Public Diplomacy and Democracy" (aka "overt political action"). We also called for a supplemental of \$20 million in FY 83. I would strongly encourage each participating Agency and Department to think very seriously about their ongoing budget outlays and consider ways in which their resources may be redirected and targeted to these needs now.

- We have submitted to Congress a \$44 million supplement for RFE/RL and a proposal for Radio Marti. Both of these are priority legislative items for the new Congress. This body, aided by the International Broadcasting Committee, must keep this as a priority item. The supplement is but a first stage in the rebuilding process.

- The American Political Foundation study has been launched. The Excom is a true bi-partisan body (cite inter alia, Manatt, Richards, Allen, Brock, Pascell, Kirkland and others). This will fill a key gap and provide a vehicle for quasi-public/private funds.

- We will need to supplement the federal programs and the nascent quasi-public-private effort with private funds. Our letter to the President indicated Charlie Wick will put together a meeting of potential donors (circa 12) for a quiet chat with the President. Let's move on this now: the President is ready. I would ask the International Political Committee to coordinate a list of items which need private funding for use at this meeting.

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- In this regard, I also note Larry Eagleburger's agreement to host a working lunch of foundation executives so that we can develop a broader network of private supporters who can help us get this job done. We can not, forever, rely on one or two good souls, such as Smith-Richardson or Mellon-Schaife. I would like a report on this at our next meeting.

N 39018

3. Let us turn to Organizational form.

- The four Interagency Committees should be organized immediately.

-- It is essential that a serious and deep commitment of talent and time be dedicated to this. Programs such as Central America, European strategic debate, Yellow Rain and even Afghanistan have foundered by a failure to ~~accord high priority~~ *allocate sufficient resources from* to these efforts.

-- As we are creating a "new art form" I think we can best prove the relevance and effectiveness of the approach by taking up key issues, selectively and discreetly. Then as we develop a base of success, we can expand. I am not concerned with only a measured and limited focus at the outset.

-- I would expect each of the committees to submit a term of reference for its activity to the next SPG. Each committee will need to address the questions of permanent and ad hoc composition, specific issues to be covered etc. We will also need to pay attention to coordination and interrelationships among the various committees.

- I would look to Secretary Shultz to put together the IPC. Issues that immediately come to my mind for consideration of the IPC include:

- 1) European Security-INF
- 2) Central America

-- In a broader context, I would urge this group to look at the role of functional groups to see how they can be involved in the democracy process: International labor, private enterprise, etc.

-- Also, as you will recall, the IPC will develop a proposed list of projects for private funding to be used at the projected Presidential meeting.

- I would look to Charlie Wick to put together the IIC. Again, I would ask Charlie to guarantee high level commitment of talent and time. Your committees terms of reference will be most useful. Issues that come immediately to my mind and should be pursued include:

-- A continued examination of Soviet strategy in the propaganda field.

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N 39019

-- The commendable project on a "post-Soviet World" should be diligently pursued. (Why allow the Soviets to foster a myth of either invincibility or inevitability?)

-- In a broader context, I would charge, on behalf of the President that the IIC take on the responsibility for development of the NSSD on International Information.

- The NSC will organize the structure of the International Broadcasting Committee. Issues which I anticipate arising concerning this committee include:

Technical modernization  
Radio Marti  
Direct broadcast by satellite.

- Public Affairs Committee. Bud and Dave Gergen will jointly chair this committee. It will continue its activity on nuclear issues and I expect it will be very active concerning MX.

#### 4. Congressional Strategy

- Inclusion in State of the Union
- Budget submission to the Hill (January 31)

- USIA is the point agency. Charlie needs the close support of State and AID. NSC will help, as required. Look to Secretary Shultz to make an opening statement.

- Hill interest has been raised by press commentary. Recommend briefings of key Senators and Congressmen and selected phone calls. Look to USIA and State to orchestrate.

#### 5. Staff Support

Each committee will largely generate its own staff support. As noted before I anticipate this will require significant resource enhancement in the various agencies and departments. Walt Raymond will directly support me and you can work with him on SPG matters. He will provide an infrastructure by meeting weekly with Bob Sims (PubAff), Cary Lord (Broadcasting), Scott Thompson (Info) and Jerry Helman (Political) to ensure continuity, coordination and to prepare for SPG meetings. Walt will pull together for me a weekly summary statement of the activities and plans of the four committees which I will share with the SPG principals.

#### 6. Peter Dailey.

Brief on his efforts to orchestrate INF European security program.

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N 39020

7. Summary

- We are moving
- Resources must be committed
- Expect Committees to be organized immediately
- SPG meet in 2 weeks to discuss entities of Committee structure and specific tasks. We have the challenge now to see that we get the job done, whether it is in Latin America, Europe or elsewhere. Your support is critical.
- We will move out immediately in our parallel effort to generate private support.

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18 MAR 83 EX 12  
EXHIBIT # 21

## MEMORANDUM

## NATIONAL SECURITY COUNCIL

CONFIDENTIAL

March 18, 1983

ACTION

100

MEMORANDUM FOR WILLIAM P. CLARK

THROUGH: CHARLES P. TYSON  
          WR  
FROM: WALTER RAYMOND, JR.

SUBJECT: Presidential Meeting with Donors

4 30865

Attached is a briefing paper and talking points for the President concerning Charlie Wick's meeting with approximately ten donors. The plan will be to gather in the Situation Room at 1:45 p.m. on Monday, March 21, 1983. Charlie Wick and Peter Dailey will make the major presentations. The President, accompanied by you, would join the group for 15 minutes to set the tone and purpose of the gathering.

This will be the first session with donors and Charlie has focused this meeting specifically on our needs in Europe. Three of the donors are Europeans and they are involved in the hopes that we can stimulate the commitment of both US and European private resources to support these efforts. Candidly, I do not know whether the group assembled on March 21 will serve as the core for a large funding effort which could support the "National Endowment for Democracy" or whether this group, by background and interest, will remain focused on Europe. The problems of European public opinion, however, are sufficiently great that this is enough of a task to take on at this time.

Recommendation

That you forward the briefing paper and talking points to the President.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

## Attachments

Tab I Briefing Paper to the President for Signature  
A Talking Points  
B Meeting Agenda  
C Participants

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Declassified/Released on 23 FEB 88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

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THE WHITE HOUSE

WASHINGTON

CONFIDENTIAL

MEETING WITH CHARLES WICK  
 AND PRIVATE SECTOR DONORS  
 DATE: Monday, March 21, 1983  
 LOCATION: Situation Room  
 TIME: 2:00 p.m.

FROM: WILLIAM P. CLARK

N 30867

I. PURPOSE

Charlie Wick has arranged a small meeting to encourage the private sector to provide support for our public diplomacy and democracy initiative. This is consistent with our tasking to Charlie. As we indicated to you several weeks ago, it is very important that we enlist the private sector to help generate broad support for our public diplomacy efforts in this area. Your personal participation will be a significant stimulant to this effort.

II. BACKGROUND

The focus of this meeting will be on the need to stimulate support for our policies in Europe. We will be discussing with the group the problems as we see them, both in terms of the immediate issue of the INF, but also in terms of more effective working relationships between the United States and Europe. Peter Dailey will deliver the key arguments. Building a solid base of collaboration on a broad range of issues within the Atlantic Alliance has profound long term consequences for our overall democracy project as well. Included in the group of invitees are three Europeans as we are anxious to stimulate private support from both sides of the Atlantic.

Over time Charlie hopes to build upon this core of funders and attract others for the broader purposes of building democracies worldwide.

III. PARTICIPANTS

See attached list. (Tab C)

IV. PRESS PLAN

None.

V. SEQUENCE OF EVENTS

See attached agenda. (Tab B)

## Attachments

Tab A Talking Points (with cards)  
 Tab B Meeting Agenda  
 Tab C Participants

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CONFIDENTIAL**UNCLASSIFIED**TALKING POINTS FOR MEETING WITH  
CHARLES WICK AND PRIVATE SECTOR DONORS

N 30369

- I appreciate the opportunity to meet with you today. We are united by our common concern over the future of the Atlantic Alliance. I would like to ask for your help in something which is important to us all.
- The Soviets are directly challenging our Alliance. We face an even more vigorous and sophisticated challenge from the Soviets with the accession of Andropov. The Soviets - through their campaign of disinformation and propaganda - seek to convince the peoples of Western Europe that friendship with the United States increases rather than reduces the threat to their security.
- As we seek to negotiate arms reductions with the Soviets in Geneva, they seek to legitimize a military dominance in Western Europe. They are fighting on the ideological battlefields of Europe. We must counter our adversaries, both in the near and longer term.
- Last June I spoke to the British Parliament, proposing that we - the democracies of the world - work together to build the infrastructure of democracy. This will take time, money, and efforts by both government and the private sector. We need particularly to cement relations among the various sectors of our societies in the United States and Europe. A special concern will be the successor generations, as these younger people are the ones who will have to work together in the future on defense and security issues.

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- Charlie Wick has taken the lead in Project Democracy and in some of our near-term consensus building projects, particularly in Europe. Our immediate problem is the Soviet challenge in Europe. It is in this area that we must energize private voices as well as those of the government to meet the challenge. An effective public diplomacy effort in Europe requires genuine inputs from all parts of our society.
- As I have said in the past on so many matters, government cannot do the job alone. That is why I asked Charlie to pull this group together - to form a nucleus of support in the private sector for programs critical to our efforts overseas. I know Charlie can do this. He has done pretty well for me raising funds in the past.

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## MEETING WITH CHARLES WICK

- APPRECIATE OPPORTUNITY TO MEET. UNITED BY COMMON CONCERN OVER FUTURE OF ATLANTIC ALLIANCE. ASK FOR YOUR HELP.
- SOVIETS DIRECTLY CHALLENGING ALLIANCE. WE FACE VIGOROUS CHALLENGE FROM SOVIETS. SOVIETS USING DISINFORMATION AND PROPAGANDA TO CONVINCE EUROPEANS. SOVIETS SEEK TO PICTURE U.S. AS THREAT TO EUROPEAN SECURITY.

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N 305-1

2

- WE NEGOTIATE ARMS REDUCTIONS; SOVIETS SEEK TO LEGITIMIZE MILITARY DOMINANCE IN EUROPE. THEY ARE FIGHTING ON THE IDEOLOGICAL BATTLEFIELDS OF EUROPE. WE MUST COUNTER IN NEAR/LONGER TERM.
- LAST JUNE I PROPOSED WE WORK TOGETHER TO BUILD THE INFRASTRUCTURE OF DEMOCRACY. TAKES TIME, MONEY, EFFORTS BY GOVERNMENT AND PRIVATE SECTORS. WE NEED CLOSER LINKS AMONG ALL SECTORS OF OUR SOCIETIES. A

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3

SPECIAL CONCERN SUCCESSOR GENERATIONS WHO WILL HAVE TO WORK TOGETHER ON DEFENSE SECURITY ISSUES.

- CHARLIE WICK HAS LEAD IN PROJECT DEMOCRACY AND IN NEAR-TERM CONSENSUS BUILDING PROJECTS. IMMEDIATE PROBLEM IS SOVIET CHALLENGE IN EUROPE. WE MUST ENERGIZE PRIVATE VOICES AS WELL AS GOVERNMENT TO MEET CHALLENGE. EFFECTIVE PUBLIC DIPLOMACY

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**UNCLASSIFIED**

4

IN EUROPE REQUIRES INPUTS FROM ALL PARTS  
OF SOCIETY.

-- GOVERNMENT CANNOT DO THE JOB ALONE. I ASKED  
CHARLIE TO PULL GROUP TOGETHER - TO FORM  
NUCLEUS OF SUPPORT IN PRIVATE SECTOR FOR  
PROGRAMS CRITICAL TO OUR EFFORTS OVERSEAS.  
CHARLIE CAN DO THIS. HE HAS DONE WELL  
RAISING FUNDS IN PAST.

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N 30872 -

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N 30873

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**CONFIDENTIAL**

## MEETING AGENDA

- I. Introduction and Overview (Charlie Wick).
- II. Arrival of President - General Remarks.
- III. The Immediate Challenge - Western Europe and INF (Peter Dailey).
  - The US Government Public Affairs Program.
  - The Need for Private Sector Support
- IV. The Democracy Initiative and the Need to Build Stronger Private Institutions.

H 30874

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N 30875

**UNCLASSIFIED**

MARCH 21, 1983  
THE SITUATION ROOM  
1:45 - 4:00 p.m.

UNCLASSIFIED

The Honorable Charles Z. Wick - Director, United States Information Agency

Ambassador Peter H. Dailey - U.S. Ambassador to Ireland; Chairman, European Public Diplomacy Committee

Robert B. Evans - Chairman, Evans Industries, Inc.; Detroit, Michigan; Former Chairman, American Motors

Dr. George H. Gallup - Chairman, Gallup Organization, Inc.; Princeton, New Jersey; Marketing and attitude research

Sir James Goldsmith - Chairman, Generale Occidentale Paris; Diversified interests, including publishing; dual residence in London

John W. Kluge - Chairman, Metromedia, Inc.; New York, New York; Broadcasting

Alfred Lerner - Vice Chairman, Equitable Bancorp; Baltimore, Maryland; Real estate and finance; home and office Cleveland, Ohio

Carl H. Lindner - Chairman, American Financial Corporation; Cincinnati, Ohio; Diversified financial holdings

Dr. Joachim Maitre - Senior Editor and Executive Manager, Axel Springer Publishing. Coming as personal representative of Axel Springer, German publishing executive.

Rupert Murdoch - Australian publisher. Owner, London Times, New York Magazine, New York Post

Kenneth Q. Volk - Chairman, Public Storage Corporation; Pasadena, California

Walter Raymond - Staff, National Security Council

Mark Everson - Office of Director Wick

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EX-117 23 EX-1

21 May 83 49  
13

## MEMORANDUM

## NATIONAL SECURITY COUNCIL

CONFIDENTIALACTION

May 21, 1983

H 30913

MEMORANDUM FOR WILLIAM P. CLARK

FROM: <sup>W.</sup>WALTER RAYMOND.

SUBJECT: Central American Public Diplomacy

We need to put this program together immediately. Given other personnel considerations, I would like to recommend an interim solution designed to get the job done, but at the same time, cause the least amount of bureaucratic confusion.

Faith Whittlesey is definitely on-board in terms of the division of responsibility. She sees her role exclusively as implementing policy. She looks to us for policy formulation and for substantive support. She will also expect us to help with speakers. To do this we need an effective public diplomacy coordinator and this person must be prepared to devote full time. I am speaking specifically about a replacement for Dick Stone, since he will not be able to take on this responsibility concurrent with his duties as negotiator. The public diplomacy coordinator will orchestrate the overall USG effort, coordinating closely with Faith and simultaneously driving forward an effective international program.

At this time, the coordinator must be separate from ARA. We should wire him into the SPG structure, but in this case I would recommend that he initially be identified as a Special Assistant to Secretary Shultz working principally with Larry Eagleburger. That should ensure State support. I would recommend that we borrow Otto Reich from AID where he now serves as Assistant Administrator for Latin America. Reich should be immediately joined by Mike Ledeen and Jon Glassman. Others would be added, if needed. I would recommend that Reich be detailed for two months. By that time, we should have gotten our Central American public diplomacy moving forward, personnel situations would have clarified, and we could decide what, if any, role Reich should play in the future.

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Declassified/Released on 3 FEB 88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

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4-17-87

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Recommendation

That you call Shultz and propose that the Reich team be put in place immediately vice Stone. That this be under the SPG, but that his assignment be under the aegis of Shultz and Eagleburger.

- That Shultz/Eagleburger raise this with Reich and get his concurrence. Reich should assume his duties immediately (week 23 May).
- That we put out an SPG notice of Reich's assignment.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

~~CONFIDENTIAL~~  
UNCLASSIFIED

25 JUN 83 <sup>EXP</sup>  
N 43703**UNCLASSIFIED**

MEMORANDUM OF NOTIFICATION 25 June 1983

MEMORANDUM FOR: Members of the National Security Planning Group  
 SUBJECT : Request for Increased Funding Level  
 REFERENCE : Presidential Finding on Nicaragua dated  
 1 December 1981

1. PROPOSAL: The Central Intelligence Agency requests an increase in the authorized funding level for the program authorized by the 1 December 1981 Presidential Finding [REDACTED]

2. BACKGROUND: On 1 December 1981 President Reagan signed a Presidential Finding on Nicaragua authorizing the Agency to support and conduct [REDACTED] paramilitary operations against [REDACTED]



4. DEADLINE: Please forward written concurrence or non-concurrence and any desired comments concerning the proposed action to the Assistant to the President for National Security Affairs within five working days after date of receipt by your office. The Assistant to the President for National Security Affairs is requested to advise the Director of Central Intelligence by memorandum of NSPG concurrence or non-concurrence.

**UNCLASSIFIED**

Partially Declassified Pursuant to E.O. 12958  
 by K. Johnson, National Security Council  
 3 Feb 88

56

**UNCLASSIFIED**

N 43704

**SUBJECT:** Memorandum of Notification: Increased Funding Level  
for Nicaragua Civil Action Project

**DOO/LA/CATP** [REDACTED] (29 May 1981)

**Distribution:**

- Orig - DCI/w/att (for transmittal to MSPG)
- 1 - INCI w/att
- 1 - Exec Reg w/att
- 1 - Comptroller w/att
- 1 - ADUO/DOO w/att
- 1 - DOO Reg w/att
- 1 - [REDACTED]
- 1 - [REDACTED]
- 2 - C/LA w/att
- 2 - C/LA/CATP w/att

**UNCLASSIFIED**

3 APR 85

EX 15

8986

THE WHITE HOUSE  
WASHINGTON

**UNCLASSIFIED**  
~~TOP SECRET~~

April 3, 1985 N 42445

MEMORANDUM FOR DON REGAN

FROM: BUD McFARLANE *Bud*

Attached is the decision memo on Contra funding. I have discussed it with George, Cap and Bill Casey who all support it. Cap would like for the President to also be advised that even this approach could place the Contras at some risk for as long as the ceasefire endures. Subject to your agreement, I would like to raise this for decision at the 11:00 am meeting today.

Attachment

Declassified/Released on 3/23/88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

**UNCLASSIFIED**  
~~TOP SECRET~~ OADR

(5611)

*Rem File  
4/3-4  
4/1-1/87*

~~THE WHITE HOUSE~~  
WASHINGTON

28 JUL 83  
July 29, 1983

EX 16

**UNCLASSIFIED**

~~SECRET~~  
~~TOP SECRET/SENSITIVE ATTACHMENT~~

N 43699

MEMORANDUM FOR THE VICE PRESIDENT  
THE SECRETARY OF STATE  
THE SECRETARY OF DEFENSE  
THE COUNSELLOR TO THE PRESIDENT  
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET  
THE DIRECTOR OF CENTRAL INTELLIGENCE  
THE UNITED STATES REPRESENTATIVE TO THE  
UNITED NATIONS  
THE CHIEF OF STAFF TO THE PRESIDENT  
THE CHIEF OF STAFF TO THE VICE PRESIDENT  
THE CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: National Security Decision Directive on  
Enhanced U.S. Military Activity and Assistance  
in the Central American Region (NSDD-100)

The President has formally approved the attached National Security Decision Directive (NSDD-100) on enhanced U.S. military activity and assistance in the Central American region. Copies of this directive may not be reproduced. Please ensure proper handling of this document and the attached directive to prevent unauthorized disclosure.

FOR THE PRESIDENT:

  
William P. Clark

Attachment: NSDD 100

**UNCLASSIFIED**

~~SECRET~~  
~~TOP SECRET/SENSITIVE ATTACHMENT~~  
Declassify on OADR

Partially Declassified/Released on 9 JUL 1987  
under provision E.O. 12356  
by B. Ragsdale, Director, Jacobin Council

**UNCLASSIFIED**

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N 43700

**SENSITIVE**

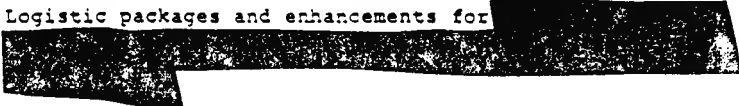
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SENSITIVE  
N 45701

- The Defense Department will complete plans as soon as possible for [REDACTED]. These plans should be developed with existing resources.
- Logistic packages and enhancements for [REDACTED]



The Secretary of State and the Secretary of Defense will prepare a coordinated legislative, diplomatic, and public affairs strategy that supports these initiatives. A time-phased schedule should be an integral part of this package. Implementation of these initiatives will be timed to take into account public affairs/legislative factors. This implementation plan should be provided to the Assistant to the President for National Security Affairs for Presidential review and approval by July 30, 1983.



These proposals will be submitted to the Assistant to the President for National Security Affairs by July 30, 1983 for approval, as necessary, by the President.

The Secretary of Defense will review the military training requirements of El Salvador with a view to determining if the number of military trainers is adequate. If more are deemed necessary, the Departments of Defense and State will develop a credible and defensible rationale and a legislative strategy designed to increase the number to the appropriate level. This program will be reviewed by the Assistant to the President for National Security Affairs and approved by the President prior to Congressional submission. This proposal should be provided by July 30, 1983.

The Secretary of Defense, in coordination with the Secretary of State and the Director of the Office of Management and Budget will ensure that sufficient resources are available to carry out the provisions of this Directive.

*Ronald Reagan*

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SENSITIVE

MEMORANDUM

~~CONFIDENTIAL~~  
UNCLASSIFIED  
NATIONAL SECURITY COUNCIL

29 APR 83 17  
Weekly Report EXHIBIT 5

CONFIDENTIAL

April 29, 1983

104  
N 30901INFORMATION

MEMORANDUM FOR WILLIAM P. CLARK

WR

FROM: WALTER RAYMOND, JR.

SUBJECT: Weekly Report

John Carbaugh. At Carbaugh's invitation I had breakfast with him on April 26. Jeff Davis has been in touch with Carbaugh and told me that he thought Carbaugh would raise the idea of a study of European alternatives to the Soviet pipeline. Surprisingly this did not come up. Rather, Carbaugh described the ability of his group--Center for Free Society--to undertake in-depth reviews of the election process, particularly in Central and South America. Bill Kimmerlin (Federal Elections Commission), Alberto Piedra and Carbaugh have served as a three man group in observing elections. Clearly he would like to become involved in upcoming elections in Venezuela, Panama and El Salvador. He then expressed himself on the value of seeking to roll back communist advances in the Seychelles and Guinea Bissau. These views were treated separately by Fred Wettering. (U)

Jeff Davis and I have spoken several times. He will be in Washington during the week of May 9 and we will discuss further his fund raising efforts for project democracy. (U)

Mark Palmer. We discussed a number of subjects over lunch including Soviet exchanges with the US. I know this has been the subject of separate correspondence from the Secretary to you. Under the proper circumstances and with reciprocity observed, exchanges can be a very powerful weapon in the war of ideas. The Soviets may seek to use exchanges as a means of acquiring technology and specialized scientific training; we can use exchanges to stimulate the circulation of ideas in thought in the USSR. I would encourage your favorable consideration of a carefully crafted exchange program. (C)

Private Fund Raising. There has been limited progress since the Presidential meeting with the donors on March 21. This has been partially slowed by Charlie Wick being in Asia the last month. Roy Godson and Leo Cherne have had several meetings with the private donors executive committee. The next session is scheduled for May 16 at which time I think the first major financial commitment will be extended. I believe the activist orientation of the key donors suggests that the grants that they will give will have a sharp

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by K. Johnson, National Security Council

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cutting edge that will be directed to both [REDACTED] and American audiences. I will provide you details as they become available. (U)

SPG Related Matters.

N 30902

-- The first full International Broadcasting Committee (IBC) met and covered a very full agenda of items. This committee appears to be functioning very effectively.

-- The International Information Committee.

- One of the principal items is the completion of the NSSD on international information. Cary Lord and I have been working with the group to use this study as a piece for building up an internal US Government approach of the role and importance of "information" as a lever of foreign policy. (U)

- The IIC (Scott Thompson) has asked Dr. Fredrick Seitz, University President Emeritus of Rockefeller University and former Executive President of the National Academy of Sciences, to help provide support to our yellow rain public diplomacy campaign. Seitz's participation may permit us to attract broader international support particularly from the international scientific committee, for our considered conclusions concerning the Soviet use of CBW. (U)

-- International Political Committee.

- The IPC is monitoring follow-up tasking as directed by the SPG meeting on April 14. More than half of the requested papers are at hand but I have concurred in a weeks delay before submission to the SPG so that we can review all the papers simultaneously. This would mean we would target a SPG for the week of May 9 unless you wish it earlier. (U)

- I am preparing a detailed memorandum for NSC staffers on the mission and function of the SPG and its related committees. We certainly want to involve the staffers more thoroughly. I recognize that in the views of some, particularly Sven Kraemer, there has been a perceived lack of coordination. He was thoroughly briefed as soon as this was called to my attention April 21. Any further criticisms are unwarranted. The SPG tasker, which was the apparent offending document was developed by the SPG Excom including Cary Lord and Bob Sims, and discussed at the SPG at which all were present. I believe my broader memorandum discussing the system will work out the kinks within the staff. (U)

PAO Conference. I will be at USIA's Central American Public Affairs Officers Conference in Miami on May 2-3. We will be discussing our overall needs in the region with particular attention to providing support to the President's program. (U)

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MEMORANDUM

NATIONAL SECURITY COUNCIL

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N 40096~~CONFIDENTIAL~~ACTION

May 21, 1985

MEMORANDUM FOR ROBERT C. McFARLANE

FROM: WALTER RAYMOND, JR. *WR*  
OLIVER L. NORTH *ON*SUBJECT: Freedom Fighters International

From June 5-10, a coalition of anti-communist resistance groups will convene in Jamba, Angola. The purpose of the meeting, which will involve representatives of all the world's major anti-Soviet guerrilla leaders (except Renamo), is to announce the formation of our Alliance for Liberation and Democracy. The Alliance plans to serve as a fund-raising conduit for anti-communist resistance movements. The convocation will be hosted by Jonas Savimbi. Citizens for America is the principal U.S. sponsor, and both Lew Lehrman and Jack Wheeler plan to attend. Wheeler has been actively helping with the organizational work. As indicated in the vote from Pat Buchanan at Tab 1, Dana Rohrabacher would like to attend and would like to carry a taped Presidential message for the group.

I have some problems with the meeting. The meeting location virtually assures some form of South African involvement. Visitors will transit South Africa,

*[REDACTED]* Ray Burghardt has no problems from his Central American perspective. John Feindexter is concerned about tainting the "contras" with the South Africans. Phil Rinehart/Walter Scott are both concerned that it will be counterproductive in terms of our current negotiations to get the Cubans out of Angola and regarding Namibia. Oliver North argues that we do nothing to interfere with the program and suggests that a Presidential message be carried by Lehrman vice Rohrabacher. From a policy point of view, it may go against any Congressional efforts to repeal the Clark Amendment, which will be debated soon on the floor.

We recommend proceeding as follows: The meeting is good for advancing the cause of friends and allies, but does not require a high Administration profile. Walt Raymond is opposed to a Presidential message. Further, even though Rohrabacher would be traveling with "private funds," we definitely do not think that he should be at the session in Jamba.

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by B. Reger, National Security Council

~~UNCLASSIFIED~~OptionsYesNoDo we send a Presidential message  
with Lehrman?

\_\_\_\_\_

\_\_\_\_\_

N 40097

Should Rohrabacher attend?

\_\_\_\_\_

\_\_\_\_\_

RECOMMENDATION

That you orally advise Pat Buchanan of your decision.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

Ray Burghardt, Phil Ringdahl, Helen Soos, and Jock Covey have  
concurred.Attachment

Tab I Buchanan to RCM Memo, May 12, 85, w/atch

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THE WHITE HOUSE

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WASHINGTON

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May 12, 1985

MEMORANDUM FOR ROBERT C. McFARLANE

FROM:

PAT BUCHANAN *PB*

SUBJECT:

FREEDOM FIGHTERS INTERNATIONAL

Toward the end of this month, in Jamba, capital of the Unita-controlled area of Angola, a Freedom Fighters international will be held, hosted by Jonas Savimbi. As the President is the single world figure to whom all these movements (Nicaraguan Resistance, Afghans, etc.) look for inspiration, it might be well to have the President send a message of support. (RENAMO of Mozambique is the only pro-Western group currently excluded from the gathering.) Lew Lehrman, I understand, is going and would be delighted to carry a taped message from the President. What think? It might get a measure (per attached) of international coverage.

Attachment

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## THE WHITE HOUSE

WASHINGTON

N 40099

May 3, 1985

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MEMORANDUM FOR PATRICK J. BUCHANAN

FROM: DANA ROHRBACHER DR

SUBJECT: Freedom Fighters

Between May 20-25 Jonas Savimbi will be hosting a summit meeting of the world's major anti-Soviet guerrilla leaders, minus RENAMO of Mozambique. The meeting will be held in Jamba, the capital of Dr. Jonas Savimbi's UNITA movement in Free Angola.

They would like us to provide a taped message from the President expressing the American people's solidarity with those struggling for freedom throughout the world. This is consistent with everything the President has been saying.

They are holding a press conference on May 23rd and it is expected to receive worldwide coverage.

First, we need approval for the message, taped or otherwise. Second, I would like to hand carry the President's message.

This gathering of freedom fighters is the baby of Jack Wheeler. I've been close to Jack during these last 2 years while he's been working with anti-Soviet guerrillas. Citizens for America or Freedom Research Foundation (Wheeler) will pay my way down to deliver the message if I am permitted to go.

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MEMORANDUM

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NATIONAL SECURITY COUNCIL~~SECRET~~

January 19, 1985

INFORMATION

H 32617

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: WALTER RAYMOND

SUBJECT: Central America Strategies

I know that you will be immersed in a detailed examination of our approach to Central America and particularly our tactics in sustaining support for the Contras. I have given considerable thought to this and have three ideas I would like to share with you.

- Surrogate Supporters. It would seem to me that a particularly effective approach to follow with the Congressional leadership would be to expose them directly to the views of the leaders in Central American countries, excluding Nicaragua, who are directly affected by Nicaragua's aggressive policy. While most of these leaders will not speak out publicly, we should explore the possibility of bringing the Congressional leadership together with Costa Rican, Guatemalan, Salvadoran, Honduran and Panamanian leaders and let them state the case for supporting the Contras. This puts us in a position of responding to a politically strategic imperative that is seen by the local leaders themselves.
- Overt/Covert Mix. It might be possible to take the latest statements by Dave Durenberger and develop the overt/covert idea. On the surface this may sound ridiculous. There are, however, parallels

I do not see any credible or legal way in which paramilitary support can be given to the Contras. We could, however, seek to find a package which provides human assistance--food, clothing, medicines, support for Nicaraguan refugees, etc.

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H 32618

-- The Bob Leiken Approach. I had a long talk with Bob Leiken who, as you know, is a rock-ribbed liberal who works for the Carnegie Endowment. Two months ago Leiken wrote a major piece supporting our policies, and it was a significant breakthrough. He approached me on 15 January at a face-to-face dinner and suggested that he would like to help. He plans to take some soundings and will confirm his willingness to help about 1 February. If Leiken is prepared to help he will be particularly useful in lobbying the political liberals in this city. He believes we have a fairly good chance of winning the Contras fight on the Hill if we play our cards right. I think at some point it will be useful for you to talk directly to him. His proposed package includes several elements which I will tick off for you below:

- o Build a positive image of the FDN. To do this we should send down one or more key journalists to start developing major positive stories for the US. He thought Richard Millett might be willing.

- 
- o We must clean up the image of the FDN by making some changes, particularly removing known violators of human rights. We cannot sit on a status quo situation with the FDN. It would not be a sign of weakness on the Hill but rather a sign of a constructive willingness to meet Congressional critics half-way by offering to them a more "attractive package." He specifically mentioned a man named Lagas (?). He said that a more active effort should be made to unify the Contras, including the involvement of Brooklyn Rivera. In summary, we need a cleaned up package.
  - o We should be prepared to accept certain elements of conditionality. In other words, we should be able to accept some limitations and conditions for Contra approval.

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MEMORANDUM

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NATIONAL SECURITY COUNCIL

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CONFIDENTIAL

March 15, 1985

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH  
WALTER RAYMOND, JR.  
DONALD R. FORTIER

SUBJECT: Coordinating our Nicaraguan Resistance Strategy

This afternoon we met with ADM Poindexter to discuss ongoing problems in coordinating the public affairs and legislative strategies regarding the Nicaraguan resistance. Don has, of course, taken the lead in trying to engage key Congressional leaders, sensitize them to our problem, and lay the groundwork for compromise. As we move from this phase to a new overt legislative campaign, we will need to decide how to orchestrate our overall effort and who to put in charge of meshing legislative strategy with an energetic public affairs effort. This is something you may want to discuss with Secretary Shultz on the way back from Canada, or after the meeting on Tuesday. Final decisions on this point should be made at next week's LSG. In the interim, there are two isolated actions you could take to ensure advance coordination:

- First, a call from you to Pat Buchanan which will help him focus his own White House communications effort with that of Ambassador Otto Reich at State. Your call will help to ensure that those who are operating independently will be responsive clear cut guidance (talking points are attached at Tab A).
- Second, a call from you to Max Friedersdorf which will fulfill the same requirement for our legislation coordination (talking points are attached at Tab B). At this point, the resistance leadership (Cruz, Calero, and Robelo) are being contacted by everyone from our own Latin America Directorate to Max Singer at PRODEMCA--all of whom are telling them to be in different places at different times. Your call will ensure that Max is aboard on the use of former Congressman Dan Kuykendall as the focal point for those who wish to contact and schedule the resistance leaders. Cruz, Calero, and Robelo have all agreed to this procedure and Kuykendall is setting up an Ops Center/Secretariat to handle their schedules, calls, and staff work under the Gulf and Caribbean Foundation.

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N 40604

RECOMMENDATION

That you use the talking points at Tabs A and B for calls to Buchanan and Friedersdorf.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

Attachments

Tab A - Talking Points for Buchanan Phone Call

Tab B - Talking Points for Friedersdorf Phone Call

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N 40605

TALKING POINTS REGARDING LEGISLATIVE SCHEDULE  
FOR THE NICARAGUAN RESISTANCE LEADERS

(Friedersdorf)

- There needs to be an integrated approach to our overall Central American public strategy. The NSC staff will try to serve as the glue to pull these strings together. We will be looking to you to serve as the legislative coordinator and will provide whatever assistance you need. Chris Lehman will serve as our regular link to you on this.
- Meanwhile, we have a very active series of public initiatives that we will be working in tandem with your efforts. (Background: The President asked Otto Reich to be the public diplomacy coordinator a year ago and he has built an effective staff to support this overall effort. His work has a domestic and foreign focus. And there is the "Faith Whittlesey" outreach effort which has brought the White House dimension into play.)
- Pat (Buchanan) and Otto will be working closely to integrate all this effort. Pat's special focus will be the President's role but his experience is such that he can help in many ways. He has had two fruitful meetings with his ad hoc public communications working group which is dealing the upcoming vote on aid to the Nicaraguan resistance.
- The Pat/Otto group will be meeting every two days, will be developing a dynamic action plan, and constantly updating it. They will link to you through Chris Lehman, to Larry Speakes through Bob Sims, and will have Ed Rollins, the speechwriters, and State present so we can provide real focus to the public diplomacy strategy necessary to win this one.
- From my people who are participating in this effort, it appears that one of the problems has been an established focal point for scheduling appearances and appointments for the Nicaraguan resistance leaders who come to Washington.
- As a consequence, the resistance leaders have accepted an offer by former Congressman Dan Kuykendall's Gulf and Caribbean Foundation to have the foundation provide organizational and secretarial-type support.
- To the extent we are able, it would be useful if you could encourage members and their staffs who wish to talk to contact the resistance leaders to do so through Kuykendall's office

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N 40606

TALKING POINTS REGARDING PUBLIC DIPLOMACY  
IN CENTRAL AMERICA

(Buchanan)

- Welcome your active role in the public diplomacy aspects of the Central American question, particularly concerning the buildup to the contra vote.
- Would like to suggest that we divide the labor up somewhat as follows:
  - You take the lead on all White House involvement on this issue (be sure to tuck the effort underway with Bob Reilly under this).
  - Otto Reich take the lead on overall public diplomacy. He has a staff of 14 professionals and has been doing a strong job supporting the President. In effect, his staff can double as your staff.
- Your proposal to have regular meetings (every couple of days) to keep this effort energized and coordinated is excellent. I would envisage that you and Otto would develop a co-chair. Ollie North and Walt Raymond would support both of you.
- I would suggest that the Buchanan/Reich coordinating group include the following: You, Bob Reilly, Bob Sims, Walt Raymond, Ollie North, and Chris Lehman (as a link to the legislative effort), Ed Rollins, Otto Reich, Jonathan Miller (Reich's deputy), and Jim Michel (State Department Deputy Assistant Secretary for Latin America). This keeps the group lean, serious, and sharply focused. Other participants could be added if and when needed.
- You may wish to have a scrub session with Walt, Ollie, and Otto to be sure all the wiring is in place.
- Thanks for your help.

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 NATIONAL SECURITY COUNCIL  
 WASHINGTON, D.C. 20506

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October 3, 1985

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ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Letter from Congressman Hamilton re NSC Connection with Nicaraguan Resistance

Attached at Tab I is a letter from you to Congressman Hamilton responding to his questions forwarded in his letter at (Tab II).

Per our discussion, the responses are based on your earlier briefing before the committee on September 10, 1985.

This package should be reviewed in concert with SYSTEM I #7890 (Barnes) and #7913 (Durenberger and Leahy).

RECOMMENDATION

That you sign and forward your letter to Congressman Hamilton at Tab I.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

Attachments

Tab I - McFarlane ltr to Hamilton

Tab II - Hamilton ltr to McFarlane of September 12, 1985 w/attachment

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 by K. Johnson, National Security Council

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Dec 1985  
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THE WHITE HOUSE

WASHINGTON

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Dear Mr. Chairman:

Please find attached responses to the questions posed by members of your committee and forwarded under your letter of September 12, 1985. Where requisite information was provided in my briefing of September 10, the response so indicates. I have classified the responses to preclude the unintentional disclosure of classified information or potential embarrassment to friendly governments in the region.

Sincerely,

Attachment

The Honorable Lee H. Hamilton  
Chairman, Permanent Select Committee  
on Intelligence  
U.S. House of Representatives  
Washington, D.C. 20515

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## QUESTIONS AND ANSWERS

N 34290

Direction, Tactical Influence, and Advice to the Contras

- Q-1 Both Adolfo Calero and Edgar Chamorro (Washington Post, 14 August 1985 and Miami Herald, 24 June 1985) have publicly state that Colonel North traveled to Honduras in the spring of 1984 to assure them that, despite Congressional opposition, the Contras would find a way to keep their movement alive. Also, they note that Colonel North met with them in June 1984. What was the purpose of Colonel North's visit to the FDN in April and June 1984?
- A-1 As I noted in my briefing on September 10, Lieutenant Colonel North has traveled frequently to Central America to meet with those who our policy is designed to support, as well as those who are opposed to it. Lieutenant Colonel North did not travel to Honduras in April or June 1984. During a visit to Honduras in May 1984, Lieutenant Colonel North met with members of the Honduran Government and the Nicaraguan democratic resistance. He assured them that the Administration was committed to the cause of the democratic resistance and would, as the President had promised, go back to the Congress for resources to support a democratic outcome in Nicaragua.
- Q-2 It has been alleged in the New York Times (8 Aug 85) that Colonel North was advised in advance of proposed rebel attacks and had offered the rebels advice and direction. Do you have any knowledge of whether this is true? A specific example was cited: an attack in July on a ferry boat that travels between Rama and Bluefields in southeastern Nicaragua. Do you have any knowledge of whether the NSC had advance information that attack was to take place?
- A-2 The allegation that Lieutenant Colonel North offered the resistance tactical advice and direction is, as I indicated in my briefing, patently untrue.
- Q-3 When the CIA had to withdraw from their day-to-day contact with the rebels, it has been alleged in the New York Times (8 Aug 85) that Colonel North tried to fill the void, partly through helping facilitate the supplying of logistics help. Did Colonel North, in his capacity as a staff member of the National Security Council, use his influence to facilitate the movement of supplies, either raised privately in this country or otherwise, to the contras?
- A-3 Lieutenant Colonel North did not use his influence to facilitate the movement of supplies to the resistance.

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N 34291

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## QUESTIONS AND ANSWERS (Cont'd...)

Direction, Tactical Influence, and Advice to the Contras

- Q-4 A Nicaraguan exile leader is quoted in the New York Times (8 Aug 85) as stating that Colonel North was very important in coordinating efforts to reorganize and better coordinate the operations of the two main rebel groups, the FDN and the Democratic Alliance or the ARDE, and that he had met with rebel leaders in both countries. Is that an accurate statement?
- A-4 As I indicated in my briefing and my earlier letter, the NSC has been actively engaged in urging the resistance to forge a representative political front involving credible non-military figures and that this front assume responsibility for framing a political program aimed at a democratic outcome in Nicaragua.
- Q-5 There are allegations of some concern expressed by intelligence officials in the CIA that Colonel North may have been walking a dangerous line in his activities with the contras (New York Times, 10 Aug 85). Were such sentiments brought to your attention?
- A-5 I am aware that unnamed intelligence officials have been quoted in the New York Times as being "concerned" about Lieutenant Colonel North's activities. No official of our intelligence community in any of our frequent meetings has ever taken the opportunity to address such a "concern."
- Q-6 Adolfo Calero, President of the FDN and a leading figure in the new Unified Nicaraguan Opposition (UNO), the group which will receive the \$27 million of humanitarian assistance, has stated publicly (Washington Post, 14 Aug 85) that he met a half a dozen times with Colonel North this spring. For what purpose did Colonel North meet so frequently with Mr. Calero?
- A-6 As indicated above and in my briefing, Lieutenant Colonel North and others in the Administration, including the President and I, have met with Messrs. Calero, Cruz, and Robelo; leaders of the Indian opposition; and opposition figures from the Nicaraguan southern resistance front in order to better determine the course of our policy and to convey our concerns regarding human rights.

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N 34292

## QUESTIONS AND ANSWERS (Cont'd...)

Direction, Tactical Influence, and Advice to the Contras

Q-7 It has also been alleged that Colonel North had to travel to Honduras and meet with Honduran military leaders because apparently they were siphoning off supplies which were intended for the contras. As a result, the supply effort was switched from the civilian airport at Tegucigalpa to the military airfield at Palmerola. Did Colonel North undertake such a mission?

A-7 No.

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## QUESTIONS AND ANSWERS

N 34293

~~Facilitating the Raising of Funds from Private Sources~~

- 0/95
- Q-1 Has Colonel North been the focal point within the NSC staff for handling contacts with private fund raising groups, such as the World Anti-Communist League and the Council for World Freedom headed by retired Major General John K. Singlaub?
- A-1 No.
- Q-2 General Singlaub has stated (Washington Post, 9 Aug 85) that he would often talk to Colonel North and inform him what he was doing and, then state that if it was a dumb idea, for North to send him a signal. Is that your impression of the relationship between General Singlaub and Colonel North?
- A-2 There is no official or unofficial relationship between any member of the NSC staff regarding fund raising for the Nicaraguan democratic opposition. This includes the alleged relationship with General Singlaub.
- Q-3 It is alleged (Miami Herald, 24 Jun 85), after a visit by Colonel North and a CIA official to the FDN in June 1984, that the CIA provided funds to publish ads in American newspapers to solicit private aid. Is that, in fact, what occurred?
- A-3 To my knowledge, the CIA has never provided any funds for publishing any material in U.S. newspapers.
- Q-4 Did Colonel North at any time during the frequent speeches and lectures that he has given around the country on the subject of Nicaragua, advise individuals on how they might donate money to the rebels as was alleged in the New York Times (8 Aug 85)?
- A-4 No.
- Q-5 It has been alleged in the Washington Post (11 Aug 85) that Colonel North has been particularly close to the leadership of the Citizens for America, an organization headed by Lewis Lehrman, and that Colonel North was in almost daily contact with the former executive director of that group and helped select contras for speaking engagements and tours within the United States organized by the Citizens for America during the April Congressional debates. Is that true?
- A-5 No.

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N 34294

## QUESTIONS AND ANSWERS (Cont'd...)

Facilitating the Raising of Funds from Private Sources

- Q-6 General Singlaub has indicated (New York Times, 10 Aug 85) that, at one time, he had fairly frequent contact with individuals within the Department of Defense and other agencies concerning the Nicaraguan freedom fighters but, because of Congressional restriction, he didn't go near the Pentagon anymore. Why did he continue to deal with Colonel North?
- A-6 You would have to inquire with General Singlaub as to why he chose not to be in contact with other departments or agencies. NSC contacts with General Singlaub were not unlike those with other concerned Americans who have an interest in our foreign policy. It should also be noted that Lieutenant Colonel North and other members of the NSC have also been in frequent contact with those who oppose our policy or who have differing views. Lieutenant Colonel North and others, in the course of their duties, have also met with the World Council of Churches, the National Council of Churches, the American Friends Service Committee, and other organizations which have expressed disfavor for our Central American policy.
- Q-7 It has been alleged that Colonel North has been in close contact with Alvaro Rizzo, a former Somoza diplomat, who was a member of the Nicaraguan Development Council and also the Nicaraguan Refugee Fund, and that both Colonel North and another member of the NSC staff, Mr. Walter Raymond, met with Rizzo earlier this year to help set up the Nicaraguan Refugee Dinner which was held in April at which the President spoke. Were Colonel North and Mr. Raymond involved in helping set up this dinner?
- A-7 Lieutenant Colonel North and Mr. Raymond coordinated the request for Presidential involvement in the Nicaraguan Refugee Fund dinner in the same manner that the NSC staff routinely coordinates other functions involving the President, such as the recent appearance before the INTERPOL conference.
- Q-8 While Colonel North may not have had direct contact with paramilitary groups such as the CMA, Soldier of Fortune, and others, it is alleged that Colonel North used other members of the White House staff, to include his secretary, to communicate with these groups. Do you know anything about that?
- A-8 This allegation is untrue.

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N 34295

**QUESTIONS AND ANSWERS (Cont'd...)****Facilitating the Raising of Funds from Private Sources**

- Q-9 Has Colonel North been active with a group headed by Mr. Woody Jenkins of Louisiana known as the Friends of the Americas and has he assisted this group in obtaining transport for goods which they have provided to Nicaraguan refugees?
- A-9 Friends of the Americas is a reputable, private, voluntary organization providing humanitarian assistance to Nicaraguan refugees. Our contacts with Friends of the Americas have been the same as those maintained with Knights of Malta, the Knights of Columbus, Project Hope, and other humanitarian organizations committed to easing human suffering. No assistance has been provided to this or other groups in obtaining transportation.

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N 34296

**ANSWERS TO RELATED QUESTIONS**

- Q-1 The Associated Press reported that three foreign countries came to the White House in July 1984 and offered to provide assistance to the contras but without any quid pro quo. Is that true?
- A-1 No.
- Q-2 The Nicaraguan freedom fighters, in the last two months, are reported by the U.S. Embassy, Tegucigalpa, to have received a large influx of funds and equipment with some estimates of their value reaching as high as \$10 million or more. Do you know where they have obtained this assistance?
- A-2 No.
- Q-3 Why was it necessary to have someone from the National Security Council staff in touch with the various contra groups? Couldn't this have been better handled in Central America by State Department representatives by CIA personnel who could have certainly maintained contact for the purposes of collecting information, which is what Deputy Press Secretary Speakes implied was the reason for Colonel North's contact?
- A-3 The statutory function of the National Security Council is to advise the President with respect to the integration of domestic, foreign, and defense policies related to the national security of the United States. The Council has the responsibility to assess and appraise the objectives of the United States on matters of common interest to the departments and agencies of the government, and to make such recommendations and such reports to the President as it deems appropriate or as the President may require. It is the responsibility of the NSC staff to facilitate this process. Thus, it follows that NSC staff members must be in contact with a wide range of groups, movements, and individuals who are affected by our policies.

**UNCLASSIFIED**

UNCLASSIFIED

2

H 34297

## ANSWERS TO RELATED QUESTIONS (Cont'd...)

- Q-4 The Washington Post reported (28 Aug 85) that according to leaders of Misura, the main coalition of the Indians fighting the Sandinista government, Central Intelligence Agency personnel brokered two agreements this year on how the insurgent groups should divide supplies which had been privately raised. To your knowledge, was the CIA involved in brokering this agreement? Was any NSC official? Any other U.S. official?
- A-4 As indicated above, we have actively encouraged a broad based political unity movement within the Nicaraguan democratic opposition. The opposition includes the various Indian and Creole factions -- now unified as KISAN -- headed by their newly elected coordinator, Wycliffe Diego. However, the Washington Post (28 Aug 85) article to which you made reference is without basis in fact.
- Q-5 You have been quoted as saying that the role of the NSC staff was to collect information and to offer encouragement to the contras. How do you distinguish between that and the provision of advice and assistance in raising funds?
- A-5 I believe that my briefing to your committee on September 10, adequately explained how I distinguish between collecting information and offering encouragement and the issues of advice, assistance, and fund raising.
- Q-6 Why didn't you come to the Congress when this relationship began and inform us that there would be high-level contacts but they were for the purpose of "collecting information and keeping the faith"?
- A-6 As indicated in my response to Question 3 above, it is my responsibility to keep the President adequately informed on a broad range of national security issues. In carrying out this responsibility, my staff is appropriately in contact with various entities, both governmental and otherwise around the world. You, your colleagues, and Congressional staff members likewise have private contacts and channels of communication which assist you in carrying out your responsibilities. I do not believe that the constitutional separation of powers between the Executive and Legislative branches of our government would be well served by requiring that the Congress be informed of all such contacts maintained by the NSC, any more than the Executive should demand that it be apprised of similar Congressional activities.

UNCLASSIFIED

LEE H. HAMILTON, CHAIRMAN

LEWIS STREIB, OHIO  
 ERIC MULLER, OREGON  
 ANTHONY C. SELINGER, CALIFORNIA  
 ROBERT W. EASTMAN, WISCONSIN  
 BOB DAVIS, VIRGINIA  
 ROBERT A. REE, NEW JERSEY  
 GEORGE E. DEWALT, JR., CALIFORNIA  
 MATTHEW P. BISHOP, NEW YORK  
 VINCE J. DAVIS, NEW JERSEY

JO STUMP, ARIZONA  
 ANDY WELAND, FLORIDA  
 HENRY A. HYDE, ILLINOIS  
 GIDE EMMETT, WYOMING  
 BOB LAMINGTON, LOUISIANA  
 BOB MURPHY, OHIO

THOMAS E. LATIMER, STAFF DIRECTOR  
 MICHAEL J. O'NEIL, CHIEF COUNSEL  
 STEVEN E. BERRY, ASSOCIATE COUNSEL

**UNCLASSIFIED**  
**U.S. HOUSE OF REPRESENTATIVES**  
 PERMANENT SELECT COMMITTEE  
 ON INTELLIGENCE  
 WASHINGTON, DC 20515

FORM H-205, U.S. GOVERNMENT  
 (202) 225-4121

N 34298

September 12, 1985

Honorable Robert C. McFarlane  
 Assistant to the President for  
 National Security Affairs  
 The White House  
 Washington, D. C. 20500

Dear Mr. McFarlane:

At our meeting Tuesday, you agreed to answer written questions submitted by Members of the Committee concerning allegations about the activities of Lieutenant Colonel Oliver North of your staff. Enclosed are questions that have been submitted by Members of the Committee.

The Committee appreciates your willingness to discuss this matter and to respond to these questions.

With best wishes, I am

Sincerely yours,



Lee H. Hamilton  
 Chairman

Enclosure

**UNCLASSIFIED**

QUESTIONS

**UNCLASSIFIED**

H 34299

Direction, Tactical Influence, and Advice to the Contras

1. Both Adolfo Calero and Edgar Chamorro (Washington Post, 14 August 1985 and Miami Herald, 24 June 1985) have publicly stated that Colonel North traveled to Honduras in the spring of 1984 to assure them that, despite Congressional opposition, the White House would "find a way to keep their movement alive." Also, they note that Colonel North met with them in June - 1984. What was the purpose of Colonel North's visit to the FDN in April and June 1984?
2. It has been alleged in the New York Times (8 Aug 85) that Colonel North was advised in advance of proposed rebel attacks and had offered the rebels advice and direction. Do you have any knowledge of whether this is true? A specific example was cited: an attack in July on a ferry boat that travels between Rama and Bluefields in southeastern Nicaragua. Do you have any knowledge of whether the NSC had advance information that attack was to take place?
3. When the CIA had to withdraw from their day-to-day contact with the rebels, it has been alleged in the New York Times (8 Aug 85) that Colonel North tried to fill the void, partly through helping facilitate the supplying of logistics help. Did Colonel North, in his capacity as a staff member at the National Security Council, use his influence to facilitate the movement of supplies, either raised privately in this country or otherwise, to the contras?

**UNCLASSIFIED**

-2- UNCLASSIFIED 34700

4. A Nicaraguan exile leader is quoted in the New York Times (8 Aug 85) as stating that Colonel North was very important in coordinating efforts to reorganize and better coordinate the operations of the two main rebel groups, the FDN and the Democratic Revolutionary Alliance or ARDE, and that he had met with rebel leaders in both countries. Is that an accurate statement?
5. There are allegations of some concern expressed by intelligence officials in the CIA that Colonel North may have been walking a dangerous line in his activities with the contras (New York Times, 10 Aug 85). Were such sentiments brought to your attention?
6. Adolfo Calero, President of the FDN and a leading figure in the new Unified Nicaraguan Opposition (UNO), the group which will receive the \$27 million of humanitarian assistance, has stated publicly (Washington Post, 14 Aug 85) that he met a half a dozen times with Colonel North this spring. For what purpose did Colonel North meet so frequently with Mr. Calero?
7. It has also been alleged that Colonel North had to travel to Honduras and meet with Honduran military leaders because apparently they were siphoning off supplies which were intended for the contras. As a result, the supply effort was switched from the civilian airport at Tegucigalpa to the military airfield at Palmerola. Did Colonel North undertake such a mission?

UNCLASSIFIED

QUESTIONS

UNCLASSIFIED

N 34301

Facilitating the Raising of Funds from Private Sources

1. Has Colonel North been the focal point within the NSC staff for handling contacts with private fundraising groups, such as the World Anti-Communist League and the Council for World Freedom headed by retired Major General John K. Singlaub?
2. General Singlaub has stated (Washington Post, 9 Aug 85) that he would often talk to Colonel North and inform him what he was doing and then state that if it was a dumb idea, for North to send him a signal. Is that your impression of the relationship between General Singlaub and Colonel North?
3. It is alleged (Miami Herald, 24 Jun 85), after a visit by Colonel North and a CIA official to the FDN in June 1984, that the CIA provided funds to publish ads in American newspapers to solicit private aid. Is that, in fact, what occurred?
4. Did Colonel North at any time during the frequent speeches and lectures that he has given around the country on the subject of Nicaragua, advise individuals on how they might donate money to the rebels as was alleged in the New York Times (8 Aug 85)?

UNCLASSIFIED

-2-  
**UNCLASSIFIED**

N 34302

5. It has been alleged in the Washington Post (11 Aug 85) that Colonel North has been particularly close to the leadership of the Citizens for America, an organization headed by Lewis Lehrman, and that Colonel North was in almost daily contact with the former executive director of that group and helped select contras for speaking engagements and tours within the United States organized by the Citizens for America during the April Congressional debates. Is that true?
6. General Singlaub has indicated (New York Times, 10 Aug 85) that, at one time, he had fairly frequent contacts with individuals within the Department of Defense and other agencies concerning the Nicaraguan freedom fighters but, because of the Congressional restriction, he didn't go near the Pentagon anymore. Why did he continue to deal with Colonel North?
7. It has been alleged that Colonel North has been in close contact with Alvaro Rizzo, a former Somoza diplomat, who was a member of the Nicaraguan Development Council and also the Nicaraguan Refugee Fund and that both Colonel North and another member of the NSC staff, Mr. Walter Raymond, met with Rizzo earlier this year to help set up the Nicaraguan Refugee Dinner which was held in April at which the President spoke. Were Colonel North and Mr. Raymond involved in helping set up this dinner?
8. While Colonel North may not have had direct contact with paramilitary groups such as CMA, Soldier of Fortune and others, it is alleged that Colonel North used other members of the White House staff, to include his secretary, to communicate with these groups. Do you know anything about that?

**UNCLASSIFIED**

-3-

**UNCLASSIFIED**

N 34303

9. Has Colonel North been active with a group headed by Mr. Woody Jenkins of Louisiana known as the Friends of the Americas and has he assisted this group in obtaining transport for goods which they have provided to Nicaraguan refugees?

**UNCLASSIFIED**

## RELATED QUESTIONS

**UNCLASSIFIED** 34304

1. The Associated Press reported that three foreign countries came to the White House in July 1984 and offered to provide assistance to the contras but without any quid pro quo. Is that true?
2. The Nicaraguan freedom fighters, in the last two months, are reported by the U.S. Embassy, Tegucigalpa to have received a large influx of funds and equipment with some estimates of their value reaching as high as \$10 million or more. Do you know where they have obtained this assistance?
3. Why was it necessary to have someone from the National Security Council staff in touch with the various contra groups? Couldn't this have been better handled in Central America by State Department representatives by CIA personnel who could have certainly maintained contact for the purposes of collecting information, which is what Deputy Press Secretary Speaks implied was the reason for Colonel North's contact?
4. The Washington Post reported (28 Aug 85) that according to leaders of Misura, the main coalition of the Indians fighting the Sandinista government, Central Intelligence agency personnel brokered two agreements this year on how the insurgent groups should divide supplies which had been privately raised. To your knowledge, was the CIA involved in brokering this agreement? Was any NSC official? Any other U.S. official?

**UNCLASSIFIED**

-2-

**UNCLASSIFIED**

N 34305

5. You have been quoted as saying that the role of the NSC staff was to collect information and to offer encouragement to the contras. How do you distinguish between that and the provision of advice and assistance in raising funds?
  
6. Why didn't you come to the Congress when this relationship began and inform us that there would be high-level contacts but they were for the purpose of "collecting information and keeping the faith"?

**UNCLASSIFIED**

**UNCLASSIFIED**  
THE WHITE HOUSE  
WASHINGTON

EXHIBIT #24  
NSC/108-360189 EX22

13 Jul 83

**SECRET**

July 13, 1983

MEMORANDUM FOR THE HONORABLE WILLIAM J. CASEY  
The Director of Central Intelligence

SUBJECT: Increased Funding Level for Nicaraguan [REDACTED]  
Covert Action Program (S)

Your Memorandum of Notification, dated June 25, 1983,  
requesting an increased funding level for the Nicaraguan  
Covert Action Program is approved. (S)

FOR THE PRESIDENT:

*W. P. Clark*  
William P. Clark

cc: The Secretary of State  
The Secretary of Defense

5615

Partially Declassified/Released on 7/6/88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

**SECRET**  
Declassify on: OADR

**UNCLASSIFIED**  
**SECRET**

**UNCLASSIFIED**

THE WHITE HOUSE

WASHINGTON

NSC/ICS-400499

N 43661

~~SECRET~~

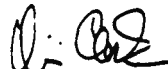
MEMORANDUM FOR THE HONORABLE WILLIAM G. CASZY  
The Director of Central Intelligence

SUBJECT: Increased Funding Level for Nicaraguan [REDACTED]  
Covert Action Program (S)

Your Memorandum of Notification, dated June 25, 1983,  
requesting an increased funding level for the Nicaraguan  
Covert Action Program is approved. (S)

The President has deferred approval of your request to  
increase further the Nicaraguan resistance forces until we  
have available a detailed projection of the long term goals/  
objectives and costs for these forces. This report should  
also include an assessment of how this increase relates to  
the key judgments and implications of NIE 83.3-83. (S)

FOR THE PRESIDENT:



William P. Clark

cc: The Secretary of State  
The Secretary of Defense

~~SECRET~~

Declassify on: OADR

**UNCLASSIFIED**

**UNCLASSIFIED**

N 43662

**UNCLASSIFIED**

**UNCLASSIFIED**

N 43663

~~**SECRET**~~

## ROUTING

To	Name and Address	Date	Initials
1	The President.		
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ACTION	FILE
APPROVAL	INFORMATION
COMMENT	PREPARE REPLY
CONCURRENCE	RECOMMENDATION
DIRECT REPLY	RETURN
DISPATCH	SIGNATURE

REMARKS:

NSC/ICS CONTROL NO. 400499

COPY NO. OF

(CIA ER 83-2861 - Original)

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# NSC INTELLIGENCE DOCUMENT



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Intelligence Sources and Methods Involved  
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N 43664

CIA ER 83-2861

Cy # 1

MEMORANDUM OF NOTIFICATION

25 June 1983

MEMORANDUM FOR: Members of the National Security Planning Group

SUBJECT : Request for Increased Funding Level

REFERENCE : Presidential Finding on Nicaragua dated  
1 December 1981

1. PROPOSAL: The Central Intelligence Agency requests an increase in the authorized funding level for the program authorized by the 1 December 1981 Presidential Finding [REDACTED]

2. BACKGROUND: On 1 December 1981 President Reagan signed a Presidential Finding on Nicaragua authorizing the Agency to support and conduct [REDACTED] paramilitary operations against [REDACTED] Nicaragua [REDACTED]

4. DEADLINE: Please forward written concurrence or non-concurrence and any desired comments concerning the proposed action to the Assistant to the President for National Security Affairs within five working days after date of receipt by your office. The Assistant to the President for National Security Affairs is requested to advise the Director of Central Intelligence by memorandum of NSPG concurrence or non-concurrence.

**UNCLASSIFIED**

**UNCLASSIFIED**

N 43665

**IV****UNCLASSIFIED**



UNCLASSIFIED

United States Department of State

Washington, D.C. 20520

~~SECRET/SENSITIVE~~ [REDACTED]

July 6, 1983

MEMORANDUM FOR: Mr. Walt Raymond  
Special Assistant to the President  
National Security Council

SUBJECT: Request for Increased Funding Level for  
Nicaragua Covert Action Program

The Acting Secretary of State has approved the Memorandum of Notification Request for Increased Funding Level for Nicaragua Covert Action program dated 25 June 1983. State, however, believes drawing the requested [REDACTED] should be deferred until deliberations on pending legislation are completed.

Dennis Kux  
Deputy Assistant Secretary  
for Coordination  
Bureau of Intelligence & Research

~~SECRET/SENSITIVE~~ [REDACTED]  
DECL: OADR

INC 83-911

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N 43667



7

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**UNCLASSIFIED**  
THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

N 43668



JUL 1983

MEMORANDUM TO THE ASSISTANT <sup>B' 11</sup> TO THE PRESIDENT FOR NATIONAL  
SECURITY AFFAIRS

SUBJECT: Memorandum of Notification, 25 June 1983:  
Nicaragua, [REDACTED] (S)

(S) I concur in the Memorandum of Notification (MON)  
to increase by [REDACTED] the FY83 funding of the activities authorized  
under the 1 December 1981 Presidential Finding.

A handwritten signature, possibly "Sap", in dark ink.

Classified by: SecDef  
Declassify on: OADR

**UNCLASSIFIED**

UNCLASSIFIED

N 43669



UNCLASSIFIED

**UNCLASSIFIED****SECRET** 870

CIA ER 83-2861

NSC/ICS CONTROL NO. \_\_\_\_\_

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Copy 1, 2 and 5 thru 10.

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ROUTING			
To	Name and Address	Date	Initials
1	Mr. DeGraffenreid		
2	Rm 300, NSC Staff		
3			
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6			

ACTION	FILE
APPROVAL	INFORMATION
COMMENT	PREPARE REPLY
CONCURRENCE	RECOMMENDATION
DIRECT REPLY	RETURN
DISPATCH	SIGNATURE

REMARKS:

1 Cy sent direct to Defense, Maj Gen Smith  
 1 Cy Sent direct to State, Mr. Montgomery

# NSC INTELLIGENCE DOCUMENT

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UNCLASSIFIED

N 43671

FOR THIS RECEIPT IMMEDIATELY TO		REGISTRY NO.
1/2 Graffner		
ASSIGNED DESCRIPTION (Set No., File No., Subject)	DATE	
wa 83-2861-Cy8	11 July 1983	
wa 83-3421-Cy8	ENCLOSURES	
ISSUE		
Unold Signature		
m B - u 10 July 83		
<p>NOTE.—This sheet to be retained in Originator's suspense file until receipt has been          and returned; then this sheet should be destroyed.</p>		
<p><i>Will E. K...</i></p>		

FEDERAL MATERIAL RECEIPT

UNCLASSIFIED

~~SECRET~~  
Central Intelligence Agency

**UNCLASSIFIED**

N 43672



Washington, D.C. 20505

27 June 1983

NOTE FOR: Mr. Kenneth DeGraffenreid  
Director, Intelligence Programs  
National Security Council

The attached Memorandum of Notification: "Increased  
Funding Level for Nicaragua [REDACTED] Covert Action Program"  
is forwarded for necessary action.

*Thomas B. Cormack*  
Thomas B. Cormack  
Executive Secretary

Attachment:  
Memorandum of Notification

CL 3Y [REDACTED]  
DECL OADR

~~SECRET~~**UNCLASSIFIED**

~~SECRET~~~~UNCLASSIFIED~~  
~~SECRET~~

NATIONAL SECURITY COUNCIL

N 43673

July 12, 1983

MEMORANDUM FOR ADMIRAL MURPHY *VR*  
FROM: KENNETH deGRAFFENREID *Kd*  
(x3334)

Attached are two MONs for the Vice President. Since I am the new head of the Intelligence Directorate at the NSC, Bud McFarlane has asked that I meet with you today, if possible, to review procedures for obtaining the Vice President's comments and concurrence on all NSPG covert action and MONs. I am available this afternoon, at your convenience.

Attachments  
a/s,

~~SECRET~~

Declassify on: OADR

~~SECRET~~

UNCLASSIFIED

ROUTING			
To	Name and Address	Date	Initials
1	The Vice President		
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ACTION		FILE	
APPROVAL		INFORMATION	
COMMENT		PREPARE REPLY	
CONCURRENCE		RECOMMENDATION	
DIRECT REPLY		RETURN	
DISPATCH		SIGNATURE	
REMARKS:			

**UNCLASSIFIED** N 43674  
~~**SECRET**~~

400499

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~~**SECRET**~~

ROUTING			
To	Name and Address	Date	Initials
1	Edwin Meese III		
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ACTION	FILE
APPROVAL	INFORMATION
COMMENT	PREPARE REPLY
CONCURRENCE	RECOMMENDATION
DIRECT REPLY	RETURN
DISPATCH	SIGNATURE

REMARKS:

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N 43675

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**UNCLASSIFIED**~~**SECRET**~~

ROUTING			
To	Name and Address	Date	Initials
1	James A. Baker, III		
2			
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ACTION	FILE
APPROVAL	INFORMATION
COMMENT	PREPARE REPLY
CONCURRENCE	RECOMMENDATION
DIRECT REPLY	RETURN
DISPATCH	SIGNATURE

REMARKS:

NSC/ICS CONTROL NO. 400499

COPY NO. \_\_\_\_\_ OF \_\_\_\_\_

(CIA ER 83-2861, Copy 6)

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**NATIONAL SECURITY INFORMATION**  
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**UNCLASSIFIED**

ROUTING			
To	Name and Address	Date	Initials
1	Michael K. Deaver		
2			
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ACTION	FILE
APPROVAL	INFORMATION
COMMENT	PREPARE REPLY
CONCURRENCE	RECOMMENDATION
DIRECT REPLY	RETURN
DISPATCH	SIGNATURE

REMARKS:

**UNCLASSIFIED** ~~SECRET~~ 77

NSC/ICS CONTROL NO. 400499

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ROUTING			
No	Name and Address	Date	Initials
1	Robert C. McFarlane		
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X ACTION	FILE
APPROVAL	INFORMATION
COMMENT	PREPARE REPLY
CONCURRENCE	RECOMMENDATION
DIRECT REPLY	RETURN
DISPATCH	SIGNATURE

REMARKS:

~~UNCLASSIFIED~~ ~~SECRET~~

N 43678

NSC/ICS CONTROL NO. 400499  
(Add-on)

COPY NO. 1 OF 4

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UNCLASSIFIED

The White House

Package# LINE 1

N 43679

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter			
Bud McFarlane	<u>1</u>	<u>M</u>	<u>1</u>
Jacque Hill			
Judge Clark			
John Poindexter			
Executive Secretary			
Situation Room			
<u>Van</u>	<u>2</u>		<u>12</u>

I-Information    A-Action    B-Retain    D-Dispatch    N-No further Ac

## DISTRIBUTION

cc: VP    Meese    Deaver    Other \_\_\_\_\_

## COMMENTS

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 org. & ca/mic file  
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**UNCLASSIFIED**NSC/TCS-400499  
(Add-on)

MEMORANDUM

NATIONAL SECURITY COUNCIL

N 43630

~~SECRET~~/SENSITIVE

July 13, 1983

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: KENNETH deGRAFFENREID *de*  
OLIVER L. NORTH *U*

SUBJECT: Memorandum of Notification on Nicaragua

In connection with the [REDACTED] MON on Nicaragua, Walt Raymond has suggested that you might want to call Ken Robinson and Bill Young and advise them that we will be sending up a reserve release imminently so that they do not get caught by surprise. Both committees are already aware at the staff level at least that the program will increase to [REDACTED]. The only issue is when they receive the advisory note of the additional [REDACTED] commitment and the relationship of that advisory note to the Zablocki-Boland floor debate. Such a telecon would give Robinson/Young an opportunity to express any concern, and for you to make further suggestions on how this issue affects our legislative strategy.

Recommendation

That you telephone Ken Robinson and Bill Young.

Approve \_\_\_\_\_

Disapprove *RM*cc: Al Sapia-Bosch  
Walt Raymond~~SECRET~~/SENSITIVE  
Declassify on: OADR**UNCLASSIFIED**

*Handwritten notes:*  
Surely CIA  
done that  
not brought  
it today

UNCLASSIFIED

N 43681

National Security Council  
The White HousePackage# 400499

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>		
Bud McFarlane			
Jacque Hill			
Judge Clark			
John Poindexter			
Executive Secretary			
Situation Room			
<u>Van/164</u>	<u>2</u>		<u>D</u>

I-Information    A-Action    R-Retain    D-Dispatch    N-No further Action

## DISTRIBUTION

cc: VP    Meese    Deaver    Other \_\_\_\_\_

## COMMENTS

RCM  
Boatle FOR 0930 TUESDAY 7/12

UNCLASSIFIED

## ROUTING

To	Name and Address	Date	Initials
1	William P. Clark		
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COMMENT	PREPARE REPLY
CONCURRENCE	RECOMMENDATION
DIRECT REPLY	RETURN
DISPATCH	SIGNATURE

REMARKS:

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N 43682

NSC/ICS CONTROL NO. 400499

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NSC/ICS-40041

**MEMORANDUM****NATIONAL SECURITY COUNCIL**~~SECRET~~

July 11, 1983

N 43633

**ACTION****MEMORANDUM FOR WILLIAM F. CLARK****FROM:****KENNETH deGRAFFENREID  
AL. SAPIA-BOSCH  
OLIVER L. NORTH****SUBJECT:****Increased Funding Level for Nicaraguan/  
Covert Action**

Attached at Tab II is a Memorandum of Notification on the Nicaraguan covert action finding. The MON requests an additional [redacted] from the Agency's reserve for contingencies for FY 1983 in order to defray costs of increased activities and because of heavy expenditures during [redacted] of FY 1983. If approved, this would bring the total funding level for FY 1983 to [redacted]. This is the second MON requesting additional monies for FY 1983. This MON reflects support for continuation of activities approved in the Presidential Finding of December 1, 1982, and mandated in NSDD 82.

State (Tab III) and DoD (Tab IV) have concurred in the MON. We have also coordinated with OMB. The State concurrence (Tab III) includes the statement that "State believes drawing the requested [redacted] should be deferred until deliberations on pending legislation are completed." Hugh Montgomery at State informs us that this is a "suggestion." However, for the following reasons, we believe that you should approve the MON request without delay:

1. The legislative strategy for Central America is set and continuing apace.
2. The money is for FY 1983 and is to be drawn from the reserve for contingency.
3. Although the full House likely will act on Boland/Zablocki, etc., before the end of July, delaying this MON is unlikely to win us further support: those against will continue against.
4. It is important as a signal of strength and purpose that we let the opposition on the Hill know that we believe in and intend to continue to pursue this program until such time as the full Congress successfully votes to stop it.

~~SECRET~~

Declassify on: OADR

**UNCLASSIFIED**

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2

Your memorandum to Director Casey at Tab I approves the monies requested in the MON. It also notes that ~~the DCI's~~ verbal request to enlarge the resistance forces to ~~has been deferred pending:~~

- an analysis of the longer term goals/objectives/costs for these forces, and

- an assessment of how the proposed force level relates to the key judgments and implications of NIZ 83.3-83, Nicaragua: The Outlook for the Insurgency.

We believe that this evaluation is essential if we are to properly employ these forces. This process has already started and can be completed in the next 10-14 days.

#### Recommendations

That you brief this MON to the President at the 0930, Tuesday, July 12, 1983.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

That you sign the attached memorandum (Tab I) informing the DCI of the President's decision.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

Walt Raymond concurs.

#### Attachments

Tab I	Memorandum to the DCI for Signature
Tab II	Memorandum of Notification, June 25, 1983
Tab III	Department of State Concurrence
Tab IV	Department of Defense Concurrence
Tab V	Copies of MON for White House NSPG Members

~~SECRET~~~~UNCLASSIFIED~~

NOTE FROM: JUNE 10/1987

Subject: CENTRAL AMERICA PUBLIC DIPLOMACY

I agree and think that is about the right group. Proceed.

UNCLASSIFIED

N 12589

PAGE 133

FILE: 10056 [REDACTED] 10 WHITE HOUSE COMMUNICATIONS AGENT

OO: WASH DC [REDACTED] GILLER NORTH

CENTRAL AMERICA PUBLIC DIPLOMACY

MSG FROM: WASH DC --CPRA TEL: WASH DC --CPRA

TEL: WASH DC --CPRA

see reply to note of 07/11/86 19:30

NOTE FROM: GILLER NORTH

Subject: CENTRAL AMERICA PUBLIC DIPLOMACY

In a follow-up Peter Bailey invited me to breakfast. I thought the case was excellent but he did not feel that it totally filled the bill. What he thought was missing was the immediacy of the problem from the American domestic perspective. He believed that we are operating with a relatively narrow window in which to turn around American perceptions to Central America and particularly Nicaragua. We will be chased up by Congress. He discussed the obvious, which is part of our strategy, including such things as the need to convince people of the key importance of Central to our national security; the need to show white hats on our team etc. The theme he thought we have stressed although he believes we could change the dialogue away from contrast to democratic emphasis is the need for a free and open vote etc. Nothing really new here. The key difference is that he thinks we should run it more like a political/presidential campaign. He needs to strengthen our ability to reach out. Names like Bolinas, Boliniger and we were thrown around as the kinds of resources we need to tap.

Later in talking to Gillis and Bob Ayres we focused on what is missing and that is a multi-faceted, independent analysis group—remember the Committee for the Present Danger—that could mobilize people. Peter suggested 10 or 12 very prominent bipartisan Americans. Added to this would need to be a key action officer and a 241-c-3 task-group structure. It is totally understanding that such a structure is needed and also totally understanding why, for discreet political reasons, it was not included in the memo to Bill Casey. I told Peter he was right but we need "a better and deeper."

I have chatted on the margins to both Cliff White and Dave Miller about this and they both have organizational conceptual ideas. My recommendation is that after Labor Day when everyone is back in the city that a meeting take place with the following people present: Peter Bailey, Cliff White, Dave Miller, Elliot Abrams, Bob Ayres, Gillis North and myself. The results of that meeting would be the basis for charting the next step in this area. Do you agree? We need additional additions or deletions to the group? At any rate, the regular public diplomacy work will continue to proceed along and with vigor.

OO: WASH DC --CPRA

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by B. Reger, National Security Council

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JMP 4/13/87

Exh. B.1. 35  
9-24-87

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8/7/86  
6/16/86  
5/23/86EXHIBIT 34  
9-24-87National Security Council  
The White House

FEB 26 1987

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	SEQUENCE TO	HAS SEEN	DISPOSITION
Bob Pearson			
Grant Green			
Colin Powell			
Paul Thompson			
Frank Carlucci			
Situation Room			
NSC Secretariat			
<u>REG GR</u>	<u>1</u>	<u>BA</u>	<u>I</u>

I = Information    A = Action    R = Retain    D = Dispatch    N = No Further Action

cc: VP    Regan    Buchanan    Other

COMMENTS

Should be seen by: \_\_\_\_\_

(Date/Time)

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by B. Regier, National Security Council

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H/10/1  
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Name and Address		Date	Initials
1	BRENDA REGER	2/26	BSR
2			
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ACTION	FILE
APPROVAL	INFORMATION
COMMENT	PREPARE REPLY
CONCURRENCE	RECOMMENDATION
DIRECT REPLY	RETURN
DISPATCH	SIGNATURE

REMARKS:

N 16799

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NATIONAL SECURITY COUNCIL  
WASHINGTON DC 20508

3340

*John  
Commission*SECRETACTION

August 7, 1986

N 16000

MEMORANDUM FOR JOHN M. POINDEXTER

FROM:

WALTER RAYMOND, JR. *WR*

SUBJECT:

Central American Public Diplomacy

In response to your PROF note, I have prepared a memorandum for you to send to Bill Casey (Tab I). Peter Dailey had a very good meeting with my Thursday morning group on August 7, and I think he can be very helpful as a adviser to this group. I do not think it is necessary to revise the current structure. As I told you in my earlier PROF note, I think the structure is in place, but it constantly needs to be energized. I do this on a regular basis. But having Peter Dailey available in Washington will be an enormously useful asset during this next year while we implement the \$100 million in Contra aid. I would propose to have him meet with the group periodically to critique and review programs and processes, to work closely with Bob Kagan, the Interagency Central American Public Diplomacy coordinator, and to help coordinate private sector activities such as funding that currently cannot be done by either CIA or State.

RECOMMENDATION

That you sign the memorandum at Tab I to Bill Casey.

Approve                     Disapprove                     

Ollie North, Ray Burghardt, and Vince Cannistraro concur.

Attachments

Tab I Memo to Casey

Tab A Public Diplomacy Planning

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THE WHITE HOUSE  
WASHINGTON~~SECRET~~MEMORANDUM FOR THE HONORABLE WILLIAM J. CASEY  
The Director of Central Intelligence

N 10 01

SUBJECT: Central American Public Diplomacy (U)

I have looked into the question of our overall public diplomacy effort concerning Central America. A great deal of hard and effective work is being done. It is clear we would not have won the House vote without the painstaking deliberative effort undertaken by many people in the government and outside. (S)

The departure of Otto Reich has not resulted in any reduction of effort. His public diplomacy coordination office (LPD) has continued. Although the independent office was folded into Elliott Abrams' bureau, the White House has sent a clear tasker to the community that this limited reorganization in no way reflected a diminution of activities. On the contrary, the same interagency responsibilities are being exercised, and the group reports directly to the NSC. It continues to be one of the few offices in the government that is staffed by a truly interagency team, including representatives from State, USIA, AID, and Defense. The office chief is Bob Kagan, who is a young, bright and effective operator. In reality, the reorganization also means that Elliott Abrams plays a strong public diplomacy role, and in this way we have harnessed one of the best public diplomacy assets that we have in the government. (S)

There is a weekly Central American public diplomacy meeting which takes place in the Old EOS, chaired by Walt Raymond, and which includes not only the four organizations noted above but also the White House Press Office and Public Liaison Office, a representative from CIA's Central American Task Force, and key NSC Staffers. This group takes its policy guidance from the Central American RIG and pursues an energetic political and informational agenda. The group seeks to focus both on domestic public issues as well as the informational battle in Europe and Latin America. It generates requirements for major publication efforts. I will have the NSC Staff send you a package of some of the more recent publications. The group also works closely with the concerned legislative offices to be supportive in terms of the Congress-

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sional debate and in a practical way it deals with a number of on-going daily issues. As an example, issues the group dealt with last week included:

- Steps to undertake EC support to Nicaragua;
- Trips of U.S. and/or foreign persons to Nicaragua for the purpose of [REDACTED] greater foreign awareness of developments in Nicaragua;
- Development of programs to publicize religious repression in Nicaragua;

- Steps to strengthen the El Salvador public diplomacy effort. (S)

There is a comprehensive public diplomacy action plan for Latin America in Europe, and I am attaching a copy for you. This plan is monitored very actively by the LPD office, and periodic reports of activity are provided to the NSC. (S)

While this group ensures that the issue remains a high priority public diplomacy goal, I share your view that this program can certainly benefit by the professional skill and insight of Peter Dailey, and I am delighted that he is in Washington and available to provide time to help this effort. Peter met with the Thursday morning interagency group on August 7. It provided him an opportunity to hear first hand from the action officers and be briefed on their current programs. The exchange was useful, and Peter has committed himself to meet periodically with this group to help strengthen their effort. Bob Kagan, the interagency coordinator, will seek Dailey's counsel on a regular basis and will bring Elliott Abrams into this process. (S)

Peter underscored that the Nicaraguan issue remains a matter of great urgency and that the next year is critical. We must show progress both in Central America, but also in the eyes of the world community, if we are to sustain and support the democratic forces in Nicaragua. It will be necessary to "frontload" our public diplomacy on this subject so that we can strengthen our international support and change attitudes concerning this program. Certain themes that he recommended at the first meeting will be given serious consideration by the working group. One special area of importance concerns generating private sector support and funding. His assistance in this area would be of greatest importance. (S)

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In summary, the public diplomacy community is hard at work and, I think properly focussed. Peter Dailey's input can be very valuable in energizing this effort, and we certainly intend to take advantage of his presence to strengthen and diversify the thrust of this program. (S)

N 16003

Attachments

Tab A      Public Diplomacy Planning

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WASHINGTON, D.C. 20505

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June 18, 1986

MEMORANDUM FOR NICHOLAS PLATT  
Executive Secretary  
Department of State

N 16204

JAMES F. LEMON  
Executive Secretary  
Department of DefenseRICHARD MEYER  
Executive Secretary  
Agency for International DevelopmentRONALD J. POST  
Acting Chief of the Executive Secretariat  
U.S. Information Agency

SUBJECT: Public Diplomacy Plan for Central America (U)

The NSC Staff approves the Public Diplomacy Plan submitted by the Department of State on this subject. We note that there has been considerable progress in the realization of our public diplomacy goals concerning Central America among European audiences. We must, however, continue to emphasize our comprehensive policy towards Central America at the same time that we focus on the specific question of Nicaragua. (C)

There is a need to maintain this as a high priority of our missions Europe and Latin America. The opposition is engaged in an intensive propaganda effort to sustain their point of view in these areas, and our activity must be at a high level to gain support for our policies. In addition to the continued provision of important materials to the field missions, we must keep up a flow of speakers to the target areas. We must also seek to utilize, as much as possible, Central American spokesmen to speak on their own behalf in Latin America and Europe. Posts in Europe and Latin America should find ways to encourage locals to travel to Central America to gain on-the-ground knowledge of what is happening. (C)

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The limited reorganization of the SLPD function should in no way suggest any diminution of effort. (C)

The NSC requests a status report of activities undertaken to implement the action plan by August 31, 1986. (U)

N 16805  
*R. B. McDaniel*  
Rodney B. McDaniel  
Executive Secretary

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United States Department of State

Washington, D.C. 20520

May 23, 1986

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N 16006

MEMORANDUM TO VADM JOHN M. POINDEXTER  
THE WHITE HOUSESUBJECT: Public Diplomacy Plan for Explaining U.S. Central  
American Policy in Europe and Latin America

The Department submits herewith a public diplomacy plan for explaining U.S. Central American policy to Latin Americans and Europeans. Parts of the plan focus on explaining those same policies to international political organizations such as the Socialist International, the International Democrat Union, and the Christian Democrats.

*Nicholas Platt*  
Nicholas Platt  
Executive Secretary

Attachment:  
Public Diplomacy Plan

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# UNCLASSIFIED

## PUBLIC DIPLOMACY PLAN FOR EXPLAINING U.S. CENTRAL AMERICAN POLICY IN EUROPE AND LATIN AMERICA

### BACKGROUND

N 16067

The Sandinistas came to power in July 1979 in a coalition with genuine democrats. However, within weeks the Sandinista National Liberation Front (FSLN) began a pattern of actions reflecting a betrayal of the revolution: internal repression of genuine democrats and of non-communist institutions such as religious organizations; aggression against fellow Latin American countries through armed subversion; ties with terrorist organizations in Latin America, the Middle East, and Europe; and a military buildup supported by the Soviet bloc and Cuba. That pattern continues today.

Under President Reagan, a balanced U.S. policy has been followed in Central America. It contains four mutually reinforcing elements:

1. Encouragement of democracy;
2. Economic aid to improve living conditions;
3. Active diplomacy for realistic political solutions;
4. Security assistance to give the people of Central America the means to defend themselves against expanded Soviet-bloc/Cuban/Nicaraguan subversion or armed aggression.

Much progress has been made in four of the five Central American countries since 1981: Costa Rica, Honduras, El Salvador, and Guatemala are democratic and are steadily strengthening their democratic institutions. The U.S. Congress has year by year provided support for the President's policy through increasing appropriations for economic and security assistance (total amounts by fiscal year 1993--\$513 million; 1994--\$939 million; 1995--\$951 million; 1996--\$1,014 million).

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- 2 -

**GOALS**

N 16808

- To convince audiences in Central and South America (particularly the Contadora and Contadora Support Group countries) and in Europe that U.S. policy toward Central America is balanced, workable, and the best alternative possible.
- To convince audiences in Latin America and Europe that the Nicaraguan democratic resistance has a cohesive and credible political program and that it is a viable, democratic force worthy of the support of the U.S. and other democratic nations.
- To demonstrate to audiences in Latin America and Europe that the Sandinistas support international terrorism and that Sandinista external subversion threatens the nascent democracies in neighboring countries.
- To demonstrate that the Sandinistas consciously and systematically violate human rights.
- To convince audiences in Latin America and Europe that the United States seeks only that the Sandinistas deliver on their promises of 1979 to the Organization of American States; that we believe that the best way to do this is for the Sandinistas to engage in dialogue with the opposition; that the Contadora process, if it can meet our three requirements that it be comprehensive, simultaneous, and verifiable, is an alternative we can support.
- To demonstrate to audiences in Latin America and Europe how Sandinista ties to Cuba and the Soviet Union adversely affect U.S. and their own national security interests.
- To persuade the internationals (Socialist International, Christian Democrats, International Democrat Union, etc.) to speak out on their concern for civil and human rights in Nicaragua, Sandinista intervention in neighboring countries, and Sandinista ties with international terrorists; and to encourage the internationals to oppose aid to the Sandinistas for the same reasons.
- To counter Sandinista disinformation activities with facts.

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## ADDITIONAL GOALS IN LATIN AMERICA

N 16000

- To convince the countries of Central America that the United States shares their political and economic goals and can be counted upon to stick with them for the long haul (the U.S. is a reliable ally).
- To persuade Central American government, political, church, and labor leaders to be more active in telling the Central American story in Europe, South America, Mexico, and the Caribbean.

## ADDITIONAL GOAL IN EUROPE

- To convince European publics that the U.S. is responding in a constructive manner to the desires of Central American nations for political and economic reform.

## THEMES

- Stress positive aspects (economic development, promotion of democracy, security) of U.S. policy in Central America.
- Set record straight on U.S. policy toward negotiations with Nicaragua and on Contadora, including Nicaraguan refusal to negotiate a comprehensive agreement and U.S. aid to the Nicaraguan resistance.
- Emphasize democratic background and objectives of the Nicaraguan resistance, while reiterating totalitarian nature of the Sandinista regime. Point out militaristic and undemocratic Sandinista educational system; exploit existence of neighborhood committees and internal repression. Remind audiences of Sandinista efforts to crush internal opponents, especially the Catholic Church, political parties, and labor unions not controlled by the government. Focus on new Nicaraguan constitution when it is unveiled by the Sandinistas and on totally controlled process in which constitution will be subjected to "public discussion."
- Reemphasize progress and successes in El Salvador, while publicizing the destructive and totalitarian nature of the Salvadoran guerrillas.

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- 4 -

N 16809

- Explain that the United States supports those people and governments who are furthering the democratic process--in Costa Rica, Honduras, Guatemala, and El Salvador--and seeking to foster reconciliation and the democratic process in Nicaragua.
- Remind audiences of Sandinista and Salvadoran guerrilla ties with terrorists in Latin America (example, M-19 in Colombia) and elsewhere (including Middle East), arms and drug runners, and of their Soviet-Cuban ties. Mention Sandinista practice of giving Nicaraguan passports to terrorists.
- Continue to present U.S. position on, and rationale for, withdrawal from Nicaraguan case before the International Court of Justice. Note: The ICJ decision on the merits of the Nicaraguan case, expected in May, will spark Nicaraguan attempts to garner support for calls for the U.S. to comply with the Court's rulings, likely including a Nicaraguan approach to the UN Security Council for enforcement of the ICJ's ruling under Article 94(2) of the UN Charter.

**ADDITIONAL THEME IN CENTRAL AMERICA**

- Europeans do not have a clear understanding of progress toward democracy in Central America, nor do they understand the threat to democracy posed by the Sandinistas. The United States government cannot alone convey that story to Europeans. The Central Americans should take on a share of that task.

**AUDIENCES**

Political and government leaders in Latin America and Europe  
 Media in Latin America and Europe  
 The Internationals  
 Religious leaders  
 Academics

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- 3 -

N 16810

Note: The following three audiences have ready access to the American news media and to U.S. public opinion data. This will affect their willingness to accept materials and information aimed directly at them.

European and Latin American delegations to the United Nations  
 Latin American and European diplomatic missions in Washington, D.C.  
 Latin American and European journalists in the United States

#### ACTIONS

- Make increased use of WORLDNET as an interactive medium for explaining U.S. policy in Central America (among officials to be sought as spokesmen on Central America are Vice President Bush, Ambassador Walters, Assistant Secretary Abrams, and Ambassador Habib).
- Speech by President Reagan describing his positive vision for Central Americans. This should note our greatly increased economic assistance, including scholarship programs, and our identification with the hopes of the people of the region for a better life. The speech should also note that the door is open for Nicaraguans to share in this prospect--if their Sandinista leaders will allow them the freedom to pursue it. This speech should be a major event delivered on some appropriate occasion, preferably during the June 10-11 visit of the four Central American democratic presidents. Other possibilities might be to have the President speak to the OAS or during either the President Sanguinetti or President Azcona visits.
- A senior Administration official, perhaps Secretary Shultz, should publicly unveil the second annual report on the implementation of the Kissinger Commission (or Jackson Plan) findings. This can be an opportunity to demonstrate that we recognize the North-South dimensions of the problem, and to stress the affirmative part of our strategy.
- For Socialist International in Lima, June 20-23, State will instruct embassies in the countries represented to make denarches to party leaders. USIS Lima will try to place material on Central America in the Peruvian media at that time, and will also distribute ARA/LPD pamphlets presenting U.S. views on Central America.

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- 6 -

N 16611

- USIA will maintain a steady flow of AMPARTS to Europe and Latin America to speak about Central America. These will be arranged according to the needs identified by posts in their country plans.
- In addition to continuous reporting by its own media, USIA will distribute abroad increased numbers of copies of studies produced by ARA/LPD. USIA will encourage its posts in Europe to translate more ARA/LPD documents into local languages.
- DOD will continue its series of research/study seminars in Latin America on the Strategic Challenges to Regional Security.
- DOD and USIA will distribute the 80-piece slide presentation "The Challenge and Response" to posts in Europe and Latin America. USIA will consider translating the show into local languages.
- Put ARA/LPD sponsored "Arms Display" exhibit at key points in U.S. and overseas.
- ARA/LPD will work closely with IO/UNP to prepare U.S. statements and rights of reply in multilateral fora to counter Sandinista disinformation.
- ARA/LPD and USIA will be prepared to exploit any Nicaraguan intransigence at the Esquipulas, Guatemala, summit (May 24-26), and at the June 6 Contadora meeting (possible Contadora conclusion), and at Contadora negotiating sessions leading up to June 6. ARA/LPD and USIA will also prepare to support positions taken by the Central American democracies.

## ACTIONS (Latin America)

- During President Duarte's travel to Costa Rica, Peru, Uruguay, and Brazil, May 9-22, USIS posts at each stop promoted media coverage; USIA media covered in depth.
- At the Costa Rican Inaugural, May 8, the U.S. delegation took the opportunity to meet with Contadora and Contadora support country leaders to demonstrate U.S. support for their goals.

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- During visit of Uruguayan President <sup>N 16812</sup> Sanguinetti to Washington in June, Administration leaders will underscore U.S. support for democracy and economic progress, emphasizing a positive vision, rather than reiterating well-known American opposition to oppression. USIA media will cover in full and also assist Uruguayan media traveling with the president.
- USIA will provide full media coverage and assistance to the working visit of Honduran President Azcona to Washington May 26-29. Appropriate quotes by Azcona will be played into Europe and Latin America.
- ARA/LPD will prepare a cable to Embassies in Central America instructing them to discuss with government officials, political, church, and labor leaders the need to tell the Central American story in Europe. A special effort will be made to persuade President Duarte to begin a public affairs effort in Europe.
- DOD Policy Support Staff prepared special briefing and display materials on Central America for use at the meeting with air force chiefs of staff from 20 Latin American and Caribbean countries May 5-9. Similar materials and briefings will be given to air force intelligence chiefs from 20 Latin American and Caribbean countries when they meet at Homestead AFB, Florida, in August 1986.

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N 43685

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HEARINGS

~~CODEWORD~~

Before the

Select Committee on

Secret Military Assistance to

Iran and the Nicaraguan Opposition

## UNITED STATES SENATE

DEPOSITION OF DONALD REGAN

Tuesday, March 3, 1987

(3:15 p.m.)

Partially Declassified/Released on 24 July 1987  
under provision of E.O. 12356  
by S. Reger, National Security Council

Washington, D.C.

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WASHINGTON, D. C. 20001

2868



**UNCLASSIFIED**~~CODE WORD~~

## 1 DEPOSITION OF DONALD REGAN

2  
3 TUESDAY, MARCH 3, 1987  
45 United States Senate,  
6 Select Committee on Secret  
7 Military Assistance to Iran  
8 and the Nicaraguan Opposition,  
9 Washington, D. C.10 Deposition of DONALD REGAN, a Witness herein,  
11 called for examination by Counsel for the Senate Select  
12 Committee on Secret Military Assistance to Iran and the  
13 Nicaraguan Opposition, pursuant to notice, the Witness  
14 being duly sworn by ANNE P. HOROWITZ, a Notary Public in  
15 and for the State of Maryland, at Conference Room No. 476,  
16 Old Executive Office Building, 17th & Pennsylvania, N.W.,  
17 Washington, D. C., at 3:15 o'clock, p.m., Tuesday, March 3,  
18 1987, and the proceedings being taken down by Stenomask  
19 by ANNE P. HOROWITZ, and transcribed by her.  
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**UNCLASSIFIED**APPEARANCES:

On behalf of the Senate Select Committee on Secret  
Military Assistance to Iran and the Nicaraguan Opposition

ARTHUR L. LIMAN, Senior Chief Counsel

PAUL BARBADORO, Senior Deputy Chief Counsel

MARK BELNICK, Executive Assistant to the Chief Counsel

On behalf of the House Select Committee to Investigate  
Covert Arms Transactions with Iran:

NEIL EGGLESTON, Deputy Chief Counsel

GEORGE VAN CLEVE, Chief Minority Counsel

On behalf of The White House:

JAY B. STEPHENS, Deputy Counsel to the President

C. DEAN McGRATH, JR., Associate Counsel to the  
President.

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C O N T E N T S

Deposition of Examination by Counsel for the  
Donald Regan Senate Select Committee -- page 3

EXHIBITS

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Regan Number 4	67
Pages after which material is to be inserted:	22
	33

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**UNCLASSIFIED**P R O C E E D I N G S

WHEREUPON,

DONALD REGAN,

a Witness herein, called for examination by counsel for the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, having been first duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE  
SENATE SELECT COMMITTEE ON  
SECRET MILITARY ASSISTANCE TO IRAN AND  
THE NICARAGUAN OPPOSITION  
BY MR. LIMAN:

Q. Mr. Regan, I read your prior testimony before the Senate, and I am going to try to avoid repetition and pick up where they left off.

I would like to begin with a recent event, the day of November 24, 1986. That was a Monday.

Is that the day that the Attorney General told you and the President that he had discovered that some of the proceeds from the Iranian arms sale had gone to the Contras?

A. Yes.

Q. Did he tell you that at a special meeting that was called by him?

A. Yes.

ALDERSON REPORTING COMPANY, INC.

20 F ST., N.W., WASHINGTON, D.C. 20001 (202) 628-9300

**UNCLASSIFIED****CODE 1000**

**UNCLASSIFIED**

1                   Elaborating a little bit on that, he asked me  
2 earlier in the day -- I believe at the National Security  
3 Council or NSPG meeting or some such meeting earlier that  
4 day -- for some time with the President in the afternoon.

5                   We set the time at 4:15. It actually took place  
6 at 4:30.

7                   Q. And did he tell you what was on the agenda?

8                   A. No.

9                   He said that he had what he thought was a smoking  
10 gun, or words to that effect, and he had to nail down  
11 something else; and as soon as he got that nailed down, he'd  
12 be able to talk to the President.

13                  Q. Had you heard any rumors before you met with the  
14 President and the Attorney General about any diversion of  
15 proceeds of the Iranian arms sales?

16                  A. Absolutely not.

17                  Q. Had there been any discussion before this meeting  
18 with the Attorney General of what had happened to the proceed  
19 of the arms sales?

20                  A. Absolutely not.

21                  Q. How long was the meeting with the Attorney General?

22                  A. At least 30 minutes; perhaps 40 minutes.

23                  Q. As I understand your prior testimony, the President  
24 was shocked at the news that was conveyed.

25                  A. Very definitely.

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1 Q. And so were you?

2 A. Yes.

3 Q. Did the Attorney General say that he had already  
4 spoken to Admiral Poindexter?

5 A. Yes.

6 Q. And can you recall now what he told you and the  
7 President that Admiral Poindexter had said?

8 A. I believe that he said that he had talked to  
9 Admiral Poindexter, who had admitted that he knew something  
10 of this, but he did not go into a lot of detail about  
11 what Admiral Poindexter's role in any Contra dealings might  
12 have been.

13 Q. Did the Attorney General make any recommendations  
14 as to what the President should do?

15 A. I'm not sure who spoke first; but, among the  
16 three of us, we quickly agreed that we had to go public  
17 with this, we had to put it all out in the open.

18 The Attorney General, I believe at that meeting,  
19 agreed with that and said there would probably be a role  
20 here for an independent counsel.

21 I believe I was the one that said I think that  
22 there should be a press conference and that the President  
23 should outline it but leave details to the Attorney General.

24 Q. Now, in the period that led up to this bombshell  
25 of a disclosure to you, there had been a presidential speech

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1 and a presidential press conference dealing with Iran.

2 Am I correct?

3 A. Yes.

4 Q. In connection with those events, had you spoken  
5 to Admiral Poindexter?

6 A. Yes.

7 Q. Had you spoken to Colonel North?

8 A. Never.

9 Q. Had you asked Admiral Poindexter if there were  
10 anything embarrassing that had not been disclosed?

11 A. I don't believe I used that word, "embarrassing."

12 I did ask Admiral Poindexter about whether or not  
13 we had all of the facts and whether the President was aware  
14 of all of the facts in this case, both before the radio, the  
15 TV address, and before the press conference.

16 Q. And what did Admiral Poindexter say to you?

17 A. He said yes.

18 I don't want to quote him exactly because I'm not  
19 certain; but he led me to believe that all of the facts were  
20 known to the President.

21 Q. Would it be fair to say, therefore, that your  
22 reaction, when you were told this by the Attorney General,  
23 was one of at least disappointment in Admiral Poindexter?

24 A. It was a shock to me to hear that anyone had  
25 done this, and the fact that Admiral Poindexter was involved

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1 was incomprehensible to me.

2 Q. Why was that?

3 A. Because I thought of Admiral Poindexter -- and I  
4 still do; I still can't understand this -- as a man of  
5 probity, of honesty, as a man of high intellect, a leader,  
6 a Vice Admiral in the Navy, Number One in his class, a Ph.D.  
7 in physics, nuclear physics. It was inconceivable to me that  
8 a man with that background would not have told the President  
9 of the United States everything about a situation of this  
10 nature.

11 Q. Now, did you try to reach Admiral Poindexter that  
12 day, which was Monday -- we are still on the 24th?

13 A. No.

14 I did the next morning.

15 Q. Why didn't you try to reach him on the 24th?

16 A. My state of mind, plus --

17 Q. Describe that state of mind, please.

18 A. Sick, offended, generally down in the dumps --  
19 that type of feeling -- plus wondering, my God, what do we  
20 do about this President and getting the facts out, how do we  
21 handle press inquiries, things of that nature.

22 Q. Was there any discussion by the Attorney General  
23 with the President and you of whether a diversion would have  
24 violated law?

25 A. The Attorney General, I believe, told the President

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1 that he had FBI personnel looking further into this matter,  
2 and would continue with his investigation and then turn over  
3 to an individual, an independent counsel whatever evidence  
4 he was able to find of any criminality.

5 Q. Was there any discussion of the Boland Amendment?

6 A. I believe the Attorney General did mention there  
7 might have been the possibility of a violation, and he would  
8 have to look further into that.

9 Q. What I am getting at is you have described the  
10 President's shock, your own feeling of shock and disappointment.

11 What was it about the fact that funds were given  
12 to the Contras that caused this reaction?

13 A. The possibility, maybe indeed the probability, of  
14 some type of violation of the law that might necessitate  
15 a further prosecution. Secondly, the fact that we realized,  
16 from a political as well as a public relations point of view,  
17 that this was devastating, devastating to this President,  
18 devastating to the cause of the Contras.

19 Q. Did you have any discussion about what should be  
20 done with Oliver North?

21 A. I think that the Attorney General recommended that  
22 North be suspended during this further investigation and the  
23 President agreed.

24 Q. And when you say "suspended," my understanding  
25 is that he was reassigned.

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1 A. Well, that's all I'll say for now, because I don't  
2 recall any further -- I used that word, "suspended," that  
3 somehow or other he be relieved of his current assignment.

4 Q. And what about Admiral Poindexter?

5 A. Nothing was said about Poindexter at that time.

6 The following morning, the morning of the 25th,  
7 at breakfast-time, I visited John Poindexter.

8 Q. Before you get to that, let me still stay with that  
9 day.

10 You said before that you had not spoken to Colonel  
11 North. Do I understand that you have never spoken to Colonel  
12 North?

13 A. Only pleasantries, or generalities. I never talked  
14 to North about any specific aspects of his job, nor mine.

15 Q. And what occasions did you have to explain  
16 pleasantries?

17 A. I would see North in groups of people, particu-  
18 larly groups of people who might be coming in to visit the  
19 President or before whom the President was to appear to  
20 speak to that group.

21 I never talked to North alone.

22 The one time that I had any kind of serious  
23 discussion with North was after the TV speech by the  
24 President, which was -- when -- November 19 or thereabouts.

25 Q. And what happened then?

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1 A. There was discussion as to whether or not the  
2 President had misspoke regarding a third country in his  
3 TV speech.

4 MR. STEPHENS: This would be the press conference.

5 THE WITNESS: Excuse me. This was the press  
6 conference, the press conference, and a group of us, after  
7 saying good night to the President in the quarters, walked  
8 over to the Roosevelt Room, where another group of presidential  
9 advisors <sup>had</sup> ~~were~~ assembled, <sup>to watch</sup> ~~watching~~ the talk. And there, we  
10 found them in a discussion. North was in that group.

11 I recall ~~him~~ looking at some papers he had and  
12 talking about Israel, and arms shipments and the like.

13 I talked in general terms to those people, saw  
14 that among them they were going to try to get to the bottom  
15 of it, because there were press representatives there,  
16 legal people, and so on. I felt they didn't need my  
17 presence. I left.

18 As I was going out the door, one of my assistants,  
19 David Chew, said to me -- one of the President's assistants,  
20 I should say, not my assistants, one of the President's  
21 assistants, David Chew, said to me did you notice that  
22 North had a chronology from which he was reading? I said  
23 no, I didn't know that was a chronology. He said, "It is.  
24 Why don't you get a copy of that so you know what has gone on?"

25 That is the first that I heard of a chronology.

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1 BY MR. LIMAN (Resuming):

2 Q. I was going to ask you that.

3 You had not known that a chronology was being  
4 prepared, is that correct?

5 A. That is correct.

6 Q. And you had not asked for a chronology to be  
7 prepared?

8 A. I had asked that -- John Poindexter, as I testified  
9 earlier, are you sure the President has all the facts, and  
10 you'd better make sure the President has all the facts, John.

11 I did not ask for a chronology, nor did I take  
12 part in creating any chronology.

13 Q. And am I correct, therefore, that you had not  
14 received from Admiral Poindexter in connection with the  
15 President's speech or press conference any written presentation  
16 of the facts?

17 A. That is correct.

18 Q. And this occasion, right after the President's  
19 press conference, was the first time you were aware that a  
20 chronology had been prepared?

21 A. Yes.

22 Q. Did you then get a copy of the chronology?

23 A. Not until the 21st.

24 I asked for one from Poindexter on the 20th, but  
25 did not receive it until the 21st. It was given to me and

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1 then, a few hours later, it was sent for and asked that it  
2 be returned.

3 Q. Who sent for it?

4 A. Poindexter.

5 Q. Were you told why he wanted it back?

6 A. There were errors or omissions in it.

7 Q. Had you had an opportunity to read it?

8 A. I eyeballed it, and had turned it over to Peter  
9 Wallison, the General Counsel, because I said this doesn't  
10 pass my feel test. "It doesn't seem right to me for some  
11 reason; read it over, Peter, and see what you think of it."

12 Q. And, at that point, Poindexter asked for it back?

13 A. Yes.

14 But Wallison had it, and I said I'd get it back  
15 to them in due course.

16 Wallison gave it back to me as I was leaving that  
17 afternoon. I took it with me. I took it home that weekend  
18 and returned it on the 24th.

19 Q. Did you read it over the weekend?

20 A. I did.

21 Q. And did you find something in it that was contrary  
22 to your own recollection of events?

23 A. Yes.

24 Q. What was that -- if you recall?

25 A. Well, it was the impression I had. It was too pat.

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1           The thing flowed much more smoothly than I  
2 remembered events.

3           Q     In what respect?

4           A     Well, you know, that so-and-so said something to  
5 so-and-so, and then that led to this and that led to that.  
6 The whole flow of it was not as I remembered it.

7           Q     It was much more disjointed?

8           A     Yes -- as I remembered it.

9           Q     All right. Let's go back, then, to the 24th.

10           You met that evening with Mr. Casey, is that correct?

11           A     He dropped by for a few minutes.

12           Q     Now, Mr. Casey was an old friend of yours?

13           A     Yes.

14           Q     Is he the man who was responsible for getting you  
15 into government?

16           A     There have been a lot of people who claimed credit  
17 for that.

18           Q     You still say "credit?"

19           A     I think there will be less claiming that in the  
20 future, or maybe currently.

21           (General laughter)

22           Q     But he is a friend?

23           A     Yes.

24           Q     Did you discuss this with him?

25           A     Only to the effect that there were -- no, I didn't.

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1 Let me back up.

2 I did not discuss the precise nature of what Ed  
3 Meese, the Attorney General, had told the President.

4 Q. Why was that?

5 A. Well, at this point, I didn't know who knew what,  
6 or who was guilty of what, and I thought the less I talk  
7 about it, the better off the Attorney General and his  
8 investigators would be.

9 Q. But didn't you want to know what your friend,  
10 William Casey, knew of this?

11 A. I knew that Ed Meese had been talking to him.

12 Q. How did you know that?

13 A. On Friday, Ed Meese again had asked me for time  
14 with the President, and in that time period, a meeting  
15 which I attended, he told the President that going over  
16 Ed Meese's testimony before --

17 MR. STEPHENS: You mean Bill Casey's.

18 THE WITNESS: -- Bill Casey's testimony in  
19 preparation for an appearance before an Intelligence  
20 Committee, that there were discrepancies in what was known  
21 and some of [REDACTED] And I take it, in using that  
22 [REDACTED] that we are all sensitive to --

23 BY MR. LIMAN (Resuming):

24 Q. We are in a Top Secret environment.

25 A. -- that there [REDACTED] that led us to

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1 believe that some of the figures we had didn't jibe.

2 Q. So, you knew that Attorney General Meese had  
3 spoken to Mr. Casey.

4 Is that correct?

5 A. Right.

6 Q. But here you are, now, on Monday night, with one  
7 of the worst pieces of news that you have received in  
8 government -- is that fair to say?

9 A. That's correct.

10 Q. And Mr. Casey was Director of the CIA. Did you  
11 talk to him at all about the whole problem of Iran?

12 A. Only in general terms.

13 Again, I did not know the extent of his knowledge  
14 or --- and I'm sorry to say this -- the extent of his  
15 involvement, if any, in the matter.

16 So I thought I would be on safer grounds not to  
17 discuss it with him, to leave it in the hands of the legal  
18 people.

19 Q. And yet, the next morning you felt comfortable in  
20 speaking to Admiral Poindexter?

21 A. Not about the facts in this, but about his  
22 resignation.

23 Q. Tell me about what happened with Admiral Poindexter  
24 the following morning.

25 A. I went in to see him while he was having breakfast

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1 by himself, in his office, and I said, "What did you know  
2 of this, John?"

3 His reply was, "I knew something of it, but I  
4 didn't know much. I didn't want to know any more."

5 And I recall telling him, "You're coming in to the  
6 9:30 meeting. I think you'd better be prepared to resign  
7 at that time."

8 Q. And he said he would?

9 A. He said that he had been thinking along the same  
10 line.

11 Q. Did you ever ask him why North did this?

12 A. Why North did it?

13 Q. Yes.

14 A. No.

15 Q. Did you ask the Attorney General why, to his  
16 understanding, North did it?

17 A. I did not ask that question.

18 My memory is vague here. But I recall in that  
19 meeting with the President on the 24th North alluding to  
20 the fact that probably --

21 Q. Do you mean Meese alluding to it?

22 A. Meese. Excuse me. I'll get it straight -- Meese  
23 alluding to the fact that North probably did it for good  
24 reasons, or for patriotic reasons, whatever was done.

25 Q. Did you ever have a discussion with Director Casey

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1 in which he told you that he thought that the Boland Amendment  
2 was unconstitutional?

3 A. No-- not unconstitutional.

4 Q. Did Mr. Casey ever tell you that after this  
5 disclosure of the diversion that he had written a note to  
6 North to the effect that the Boland Amendment was unconstitutional  
7 and that North should challenge it?

8 A. No.

9 Q. That was never discussed with you?

10 A. Never.

11 Q. And never, to your knowledge, discussed with the  
12 President?

13 A. No.

14 Wait a minute -- do you mean the fact that --

15 Q. The fact that Casey was sending North a note.

16 A. No.

17 Q. Were you aware of the statement that the President  
18 made on December 1 in an interview -- and I'll quote it --  
19 "I do not feel betrayed. Lieutenant Colonel North was  
20 involved in all our operations, the Achille Lauro, Libya.  
21 He has a fine record. He is a national hero. My only  
22 criticism is that I wasn't told everything."

23 A. I am aware that the President made such a  
24 statement.

25 Q. Was that discussed with you in advance, whether

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1 he should call Colonel North a "national hero."

2 A. No.

3 Q. Or what position he should take with respect to  
4 Colonel North?

5 A. I remember my cautioning the President to be  
6 sensitive to what he said about North until we knew everything

7 Q. The President's statement that Colonel North was  
8 involved in all of our operations is ambiguous.

9 What did you understand Colonel North's role was  
10 at the NSC?

11 A. I'll preface my remarks by the same statement that  
12 I said to both the Senate and the House Intelligence  
13 Committees. The NSC does not report to me, contrary to the  
14 belief of most people in this country. It is not part of the  
15 White House staff in that respect.

16 I have charge -- or had charge -- of what was  
17 known as the "West Wing Staff," a separate and distinct  
18 entity from the National Security Council. It reported to  
19 its head, the National Security Advisor, who reported  
20 directly to the President, not through me, not under me.

21 My knowledge of the dealings of anyone except the  
22 National Security Advisor to the President is very limited  
23 because I never come in contact with those people at general  
24 meetings and have no supervisory role over them.

25 Coming specifically to the question of Colonel North,

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1 I had only a vague understanding of what he did. But it always  
2 seemed to me that, when you needed a guy to fix something --  
3 and I say "fix" in the nice sense of the word, not in any --

4 Q. Pejorative?

5 A. --yes -- that North was the guy you called on to  
6 do it; that that was his sort of charter, or his role, in  
7 the NSC.

8 Q. You attended the 9:30 briefings by the National  
9 Security Advisor with the President?

10 A. Most of them during my tenure as Chief of Staff.

11 Q. And had Colonel North's name come up in connection  
12 with those briefings?

13 A. Occasionally, yes.

14 Q. Did he ever attend any of those briefings, to  
15 your recollection?

16 A. Only if other people were being brought in. He  
17 never came in either by himself or just as a single person  
18 accompanying the National Security Advisor.

19 Q. Now, at these briefings, did the National Security  
20 Advisor bring his deputy?

21 A. Usually, yes.

22 Q. Was there somebody who made notes at meetings  
23 or briefings with the President?

24 A. Unfortunately, I have now found out no. It is --

25 Q. Well, when you say "you now found out," when you

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1 were there, did you ever see anyone making notes?

2 A. I saw the deputy, usually with a pad, pen or  
3 pencil, doing some writing.

4 I assumed he was taking notes. I now understand  
5 that he wasn't, but he was jotting down things the President  
6 was asking the Security Advisor to do.

7 Q. How do you have that understanding now?

8 A. From my readings.

9 Q. But, at the time, you assumed that you had a  
10 note-taker there?

11 A. That's what I thought.

12 No one else in the room used a pencil, pen, or  
13 took, seemed to be taking notes.

14 Q. And when you say you now have a different  
15 understanding from your readings, what readings are you  
16 referring to?

17 A. Press accounts of the fact that there were no  
18 notes taken at any of these meetings.

19 Q. Did you, during that November period, when the  
20 President was getting ready for his address and his  
21 press conference, when you wanted to be sure that you  
22 had a correct understanding of the facts, ever ask Admiral  
23 Poindexter if there were notes of the briefings with the  
24 President?

25 A. No.

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1 Q. And I take it Admiral Poindexter never mentioned  
2 any notes that might help refresh the recollection of the  
3 participants?

4 A. No. He never did.

5 Q. In connection with the President's speech in  
6 November and his press conference, what was your role in  
7 connection with the speech? Did you review a draft of the  
8 speech?

9 A. Yes. That is a normal procedure that I followed  
10 on all TV speeches.

11 The first drafts would go out. They'd be circulated  
12 among several people. Then the second draft. I'd see each  
13 draft as it was finished.

14 Q. Who put together the facts that would be  
15 available to the speech writers?

16 A. In connection with anything having to do with  
17 foreign policy -- and this did -- it would have been the  
18 NSC staff.

19 Q. And that would have come up through Poindexter  
20 to the speech writers?

21 A. Yes -- or the speech writer may have worked directly  
22 with a member of the NSC staff.

23 Q. Who was in charge of the President's address on  
24 November 13, the speech writer?

25 A. Oh. I'll have to get that for you. I don't

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1 recall which among them was the one.

2 [The information referred to follows:]

3 COMMITTEE INSERT

4 BY MR. LIMAN (Resuming)

5 Q. Were there any problems that you encountered with  
6 the facts in that speech?

7 A. I recall it going through several versions, and I  
8 recall my becoming exasperated and saying, you know, come  
9 on, time's short, we have to get this thing finished.

10 Q. Do you remember any problems with the versions?

11 A. I can't put my finger on a particular problem. No.

12 Q. Do you remember any conversation with the Secretary  
13 of State about the speech?

14 A. Not before the speech.

15 Q. Do you remember one right after the speech?

16 A. Yes.

17 Q. Tell us about that.

18 A. The following day, which would have been the  
19 20th --

20 Q. The speech was the 13th. The press conference  
21 was the 19th. Which one are you referring to?

22 A. Excuse me. I am referring there to the --

23 Q. The press conference?

24 A. -- press conference. I do not recall hearing  
25 from the Secretary of State regarding the speech.

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- 1 Q. . You did hear from him right after the press  
2 conference?
- 3 A. Exactly.
- 4 Q. And that would have been November 20?
- 5 A. Yes.
- 6 Q. And what happened?
- 7 A. He told me that there were quite a few inconsistencies  
8 in the President's speech, and he thought he should bring  
9 these to the President's attention.
- 10 He was quite upset.
- 11 Q. Was he talking about the speech or the press  
12 conference?
- 13 A. The press conference.
- 14 What I meant by "the speech" was the President's  
15 opening remarks and answers.
- 16 Q. Did he tell you what the problems were that he  
17 had with it?
- 18 A. Only in general terms.
- 19 Q. What did he say?
- 20 A. He said that these were incorrect facts that the  
21 President had been furnished, and that he thought he  
22 should set the record straight as to what happened.
- 23 Q. Did he tell you that one of the things that  
24 bothered him was that in the press conference, the President  
25 had said that all -- and the speech -- that all appropriate

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1 Cabinet officers had been consulted in connection with the  
2 Iranian initiative?

3 A. That was one of the five or six that he mentioned.

4 Q. Now you testified before the Senate Committee  
5 that the Secretary of State was not part of the discussion  
6 process before the McFarlane mission.

7 Do you recall that?

8 A. Yes.

9 Q. Was there a decision to exclude the Secretary of  
10 State from that process relating to the McFarlane mission?

11 A. Nothing that was discussed in front of me, in that  
12 regard.

13 Q. You knew by May of 1986 that the Secretary of State  
14 had been opposed to the Iran mission -- is that fair to say?

15 A. That's right.

16 Q. Did you have any understanding as to why the  
17 Secretary of State was being excluded from knowledge of the  
18 McFarlane mission?

19 A. Most of the discussion of the McFarlane mission  
20 took place during the 9:30 briefing of the President, not  
21 at an NSPG or an NSC meeting called for that particular  
22 purpose. And, accordingly, just by the timing alone, the  
23 Secretary of State, Secretary of Defense, and others would  
24 not be present.

25 Q. But they get up early, don't they?

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1 A. Well, they're just never at the 9:30 meeting.

2 Q. If the President wanted them to be involved, they  
3 could have been involved. That's fair to say?

4 A. That is fair to say.

5 Q. And that there was at least a conclusion reached  
6 that they shouldn't be involved?

7 A. I don't recall anyone discussing that in front  
8 of me where I could agree with that.

9 That may have happened because of the timing, but  
10 I don't recall anyone actually specifically saying to the  
11 President or saying to me should the Secretary of State  
12 be here or not.

13 Q. You also, in addition to being the Chief of Staff  
14 regarded yourself as an advisor and friend of the President.

15 A. Yes.

16 Q. Did you ever say to him in connection with the  
17 McFarlane mission don't you think we ought to get the  
18 Secretary of State in?

19 A. No. I don't recall my saying that.

20 Q. The McFarlane mission was a significant event,  
21 wasn't it?

22 A. Yes.

23 Q. Was there any thought that was given to the  
24 possibility that McFarlane might even not be able to get  
25 out of Iran?

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A. Yes.

Q. And did you understand that McFarlane was going to be going in under a false passport?

A. No.

Q. But there was a recognition that the Iranian Government or elements there might seize him?

A. Yes.

Q. And, therefore, you were taking a significant risk in sending McFarlane there?

A. Yes.

Q. And here was a man who, as a former National Security Advisor, was the repository of many of the nation's secrets.

A. Yes.

Q. And you had heard stories before that Mr. Buckley had been tortured in order to get secrets.

A. Yes.

Q. What kind of discussion was there with the President about whether it was wise to take this risk of sending McFarlane over there?

A. There was some discussion in early May about who should go. It had to be a man, a person of competence, who would understand the issues, but a person who could get in and out of the country without causing much disturbance or observation.

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1 Obviously, this ruled out elected officials. It  
2 ruled out leading people in the administration.

3 The question then revolved around whether or not  
4 it should be the National Security Advisor himself or a  
5 special emissary.

6 After the discussion, it was decided that it  
7 be a special emissary.

8 Q. But was there any discussion about the risks that  
9 you were taking in sending someone who possessed the kind  
10 of sensitive information McFarlane had?

11 A. Yes. We knew that there was that risk.

12 But, on the other hand, 'McFarlane was one who  
13 certainly understood the issues a lot better than someone  
14 who would have had to have been briefed on the issues,  
15 who hadn't been in the game, as it were, before his going  
16 to Iran.

17 Q. Was there any discussion about trying to have  
18 meeting on neutral territory?

19 A. Yes.

20 Q. What was said on that subject?

21 A. It was said that the people in Iran, with whom  
22 we were trying to make contact, could not come out, or  
23 not come out; that we had to send somebody in there for  
24 purposes of establishing a contact.

25 Q. When you were talking about this mission to Tehran,

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1 with all of its risks, explain to me again as to why it  
2 wasn't a natural thing to say we ought to talk to the Secretary  
3 of State about this so that he is alerted to the possibility  
4 that we might have a problem.

5 A. I cannot explain in too much detail because it  
6 never came up as a subject or part of a discussion.

7 My own feeling was that there had been, and still  
8 was, at that time, a series of meetings of the National  
9 Security Advisor, Secretaries of State and Defense and the  
10 head of the CIA. They had weekly luncheons.

11 The purpose of those luncheons was to thrash out  
12 differences among them, to relay information from one to the  
13 other on an informal basis.

14 I think I just assumed that something of this  
15 moment would have been discussed among them at a luncheon.

16 Q. Who was the President relying on for advice on  
17 whether to send this emissary forward?

18 A. Admiral Poindexter.

19 Q. Was the President looking for advice on this  
20 subject to Mr. Casey?

21 A. I don't recall his talking directly to Mr. Casey  
22 about this.

23 Q. Would it be fair to say -- I'm trying to understand  
24 this -- that at some point in this whole Iranian process,  
25 that Poindexter became the President's principal advisor?

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1 A. Oh, yes-- not only on this but on many other things.  
2 This is supposition on my part. I have not  
3 discussed it with Admiral Poindexter nor the President, but  
4 it just seemed an impression I had that when Admiral  
5 Poindexter talked to the President about this situation, or  
6 any situation, he was reflecting the concerns, the opinion,  
7 of the security community, not just his own personal opinion.  
8 That is the purpose of the 9:30 briefings each morning. He  
9 comes in to give the President a briefing on national  
10 security affairs.

11 None of us expected that he would do this all by  
12 himself, with only his opinions reflected at that 9:30 briefing.

13 Q. Did you understand at the time of the Tehran  
14 mission that Mr. Shultz was unaware that it was going  
15 forward?

16 A. I had no reason to believe that he knew it or did  
17 not know it. I never discussed his role in it.

18 Q. Had you been at the Tokyo Summit with the President

19 A. Yes.

20 Q. And Mr. Shultz was there?

21 A. Yes.

22 Q. Do you recall Secretary Shultz saying to you that  
23 he had heard from an ambassador or someone else that the  
24 United States was still engaged in discussions with Iran?

25 A. Yes.

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1 Q. Tell us what you recall was said?

2 A. Secretary Shultz came to me to say that he wanted  
3 to talk to the President eventually, but, in particular, wanted  
4 to talk to Admiral Poindexter about something that he had  
5 found out through a cable regarding some goings on in the  
6 Middle East.

7 He said that he was most unhappy to hear that  
8 there were representatives from the U.S. Government  
9 apparently doing something in Israel that Sam Lewis,  
10 our Ambassador, did not know about.

11 No, excuse me. Let me back up. Let me retract.

12 That was an earlier thing.

13 The one in Tokyo, I believe, referred to the fact  
14 that there was a question being raised about the type of  
15 people that the NSC was dealing with, and there were other  
16 people involved in it.

17 I'm confused here, now.

18 Q. Did he tell you that he had heard from an  
19 ambassador that the United States was planning to ship some  
20 arms to Iran?

21 A. Yes.

22 There is another time when Shultz came to me and  
23 talked to me about --

24 Q. Ghorbanifar?

25 A. -- Ghorbanifar and Khashoggi, and several other

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1 people, that they were involved in that.

2 Q. And he was very uneasy about them?

3 A. Yes -- because of the names involved, and the like.

4 Q. But in the Tokyo Summit --

5 A. At the Tokyo Summit, it was Sam Lewis and the  
6 fact that they were thinking of shipments.

7 Q. And he was opposed to that?

8 A. Yes.

9 Q. What did you say to him, if you recall?

10 A. I told him that he should get together with  
11 Poindexter, that I knew nothing of it, that he should  
12 get together with Poindexter to find out what it was, and  
13 that if they wanted to talk with the President, I'd try  
14 to find time to do it.

15 Q. And did you not know that the Iranian initiative  
16 and the contemplation of sale to arms was still going on  
17 when you talked to Shultz?

18 A. I had not followed it up that closely. I knew  
19 that the mission was going to start, but I had not followed  
20 it up.

21 Q. To put it point blank, was there a policy of  
22 just keeping Shultz in the dark because he was opposed to  
23 this initiative?

24 A. Not on my part, and I don't think on the President's  
25 part. I cannot answer for Admiral Poindexter.

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- 1 Q. Was that ever recommended in your presence, that  
 2 Shultz not be told about what was happening with Iran?  
 3 A. Not in my presence.  
 4 Q. Did Mr. Casey ever express that view to you, that  
 5 Shultz really was just a negative influence?  
 6 A. No. No. Not by Casey.  
 7 Q. Anyone?  
 8 A. It was generally known among those of us who  
 9 attended meetings of the NSC that Shultz was opposed to it.  
 10 Q. Let me go back to the Contra matter again.  
 11 Is it fair to say that the President was  
 12 concerned after Congress cut off funds for the Contras  
 13 with how they would remain a viable force?  
 14 A. Yes.  
 15 Q. Do you recall that in the first half of 1986,  
 16 there was concern expressed by Admiral Poindexter about the  
 17 effect that lack of funding was having on the Contras?  
 18 A. Yes.  
 19 Q. Do you recall any briefings by Admiral Poindexter  
 20 when he was National Security Advisor, in which he discussed  
 21 where the Contras were getting funds from?  
 22 A. No.  
 23 Q. Did you ever ask him where they were getting  
 24 funds from during this cutoff period?  
 25 A. No.

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1 -Q. Were you present at any briefings where he discussed  
2 where they were getting arms from?

3 A. No.

4 Q. Did you ever ask him about that?

5 A. No.

6 Q. Did you have any understanding that Colonel North  
7 was involved in raising funds for the Contras?

8 A. Not concern. I knew that there were funds being  
9 raised for the Contras in the private sector?

10 Q. How did you know that?

11 A. There were people brought into the White House.

12 I recall one time the President addressing a group  
13 of people who had contributed private funds to the Contras,  
14 and the President saying that he approved of what they were  
15 doing, that it was a good thing.

16 Q. Who brought them into the briefing, the meeting  
17 with the President?

18 A. I don't know, specifically. I could find out  
19 on that.

20 It was a combination, I think, of our public  
21 affairs people plus the NSC.

22 [The information referred to follows:]

23 COMMITTEE INSERT

24 Q. And did you understand that Colonel North had any  
25 role in this fund raising effort?

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1 A. I knew that Colonel North was present at this,  
2 but a role -- no.

3 Q. Did you ever hear him make a speech to potential  
4 contributors?

5 A. No, I did not.

6 Q. Do you recall hearing in the summer of 1985 that  
7 Colonel North was being criticized for playing too active  
8 a role in raising money for the Contras?

9 A. No.  
10 In the summer of 1985?

11 Q. Yes.

12 A. No.

13 Q. Do you have any recollection of any Congressional  
14 inquiries or questions from Congress about what Colonel  
15 North was doing for the Contras?

16 Does that ring any bells?

17 A. No, it doesn't, not in my memory. I know that I  
18 have read such things, but not in my memory.

19 Q. You don't have a memory of learning it at the time?

20 A. No.

21 Q. Did you ever ask any questions in 1985 or before  
22 this whole subject of the diversion came up of what is  
23 Ollie North doing to help the Contras?

24 A. No.

25 Q. Did you have any understanding in the period prior

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1 to November 24, 1986, as to whether the NSC or any of its  
2 personnel were involved in arranging for military supplies  
3 for the Contras?

4 A. I recall the talk about supplies [REDACTED]  
5 and things of that nature.

6 Q. What do you recall about that?

7 A. Because there were discussions at the time the  
8 money was furnished by the Congress as to how the funding  
9 would be handled, through the State Department, the Congress  
10 having put that on them, and then how the --

11 Q. That's the humanitarian aid?

12 A. The humanitarian aid -- and how that would be  
13 accounted for. There were discussions of that nature.

14 Q. What were the discussions on that subject?

15 A. Well, they were, in general, with each one assuring  
16 the other that there should be full accountability here.  
17 I believe that it was going to be done through Peter  
18 McPherson's group in the State Department, and, accordingly,  
19 that there would be a full accounting available to the Congress  
20 when they wanted it.

21 Q. And this was to be a mechanism to insure that the  
22 funds were being used for the purpose for which they had  
23 been appropriated?

24 A. Yes.

25 Q. And not to be used for lethal aid?

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1 A. That's right.

2 Q. During this period prior to November 24, did  
3 Admiral Poindexter in any of the morning briefings tell the  
4 President how the Contras were doing?

5 A. There were times -- this is a very sensitive  
6 matter -- but since this is Top Secret, we'll discuss it.

7 In the President's briefing book, quite often  
8 there is a page which describes the action that is taking  
9 place in Nicaragua [REDACTED] and from that the  
10 President would be kept abreast of any actions that were  
11 going on either with the Contras or with the Sandinistas.

12 Occasionally, Admiral Poindexter would briefly  
13 describe that to the President, saying in your book you will  
14 see this morning such and such.

15 Q. Do I understand that Admiral Poindexter would  
16 submit a briefing book to the President each morning?

17 A. It's called the PDB, the President's daily  
18 briefing.

19 Q. And how many pages does that normally run?

20 A. Well, it comes in sections. There is a section  
21 submitted by the State Department, a section submitted  
22 by the CIA, and a section submitted by NSC. The total may  
23 be 20 to 25 pages.

24 Q. Would you like to take a break?

25 A. Could I take a couple of minutes, to get a Coke

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1 or something?

2 Q. Sure.

3 [A brief recess was taken.]

4 BY MR. LIMAN (Resuming):

5 Q. How much in advance would the President get the  
6 PDB?

7 A. Advance of what?

8 Q. Advance of the meeting with the security people.

9 A. Oh. He got it at the meeting. He read it  
10 afterwards.

11 Q. So, then, the book would be given to him by the  
12 security, the National Security Advisor?

13 A. Hand-delivered.

14 Q. Hand-what?

15 A. Hand-delivered by the National Security Advisor.  
16 "Here's your PDB for this morning." Then we would sit down  
17 and the briefing would go on.

18 Q. And would the National Security Advisor then  
19 highlight what was in the book?

20 A. Most of the time, yes.

21 Q. And would you get a copy of the book, too?

22 A. Yes.

23 Q. What happened to the book? Was the book  
24 preserved?

25 A. It was taken back, delivered back to the national

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- 1 security people the same day, usually within a matter of  
2 hours.
- 3 Q. And your copy, too?
- 4 A. Oh, yes.
- 5 Q. And would the President --
- 6 A. The Vice President also gets a copy.
- 7 Q. Was it the practice of the President to read the  
8 book?
- 9 A. Oh, yes.
- 10 Q. So that after the National Security Advisor left,  
11 he would read the book?
- 12 A. We always gave him time-- they still do, I guess --  
13 give him time, immediately after the national security  
14 meeting, so he could read that.
- 15 Q. And if he had any questions, would that occur  
16 from time to time after he read the book?
- 17 A. Occasionally.
- 18 Q. And what would he do?
- 19 A. Pick up the phone and call Poindexter.
- 20 Q. Did the book always contain a page dealing with the  
21 Contras?
- 22 A. No. Quite often, but not always.
- 23 Q. Did the book, to your recollection, ever contain  
24 any reference to the status of their funds, the Contras'  
25 funds?

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- 1 A. Never.
- 2 Q. Their supplies?
- 3 A. Never.
- 4 I'll back up. If there were a top secret drop of
- 5 arms to them, that might be recorded, occasionally, that
- 6 arms were dropped in such and such an area.
- 7 Q. Do you recall any reference in the book to
- 8 supplies being dropped to them by General Secord?
- 9 A. No.
- 10 Q. Did you hear General Secord's name at all?
- 11 A. No.
- 12 Q. You did not hear his name until after this whole --
- 13 A. After November 25.
- 14 Q. Was there any description or reference in the
- 15 book to the role of the NSC in connection with providing
- 16 supplies for the Contras?
- 17 A. No.
- 18 It was usually a description of what was happening
- 19 on the ground -- the fighting, the condition of troops,
- 20 the disposition of troops.
- 21 Q. Did Admiral Poindexter ever complain that, unless
- 22 Congress turned back on the money faucet, that the Contras
- 23 were going to be in trouble?
- 24 A. Orally. Not in any of this book or anything.
- 25 Q. Do you remember any proposals that Admiral Poindexter

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1 made for getting money?

2 A. Only the legislative ones that we were all working  
3 on.

4 Q. Do you recall a meeting in May of the NSCPG, where  
5 the matter of funding for the Contras was discussed?

6 A. What was that date?

7 Q. I'll give it to you right now. It was May 16.

8 A. In 1986?


9 Q. That's right.

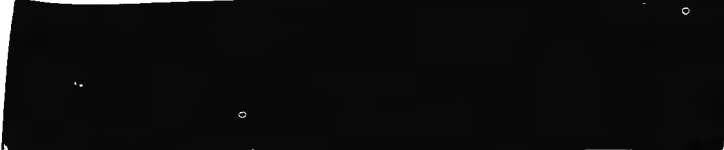
10 A. No, I don't remember that one.

11 MR. LIMAN: Would you mark as Regan 1 a set of the  
12 minutes of the NSCPG meeting, and the meeting is dated  
13 May 16, 1986.

14 [The document referred to,  
15 document number N 10288, was  
16 marked Regan Exhibit No. 1,  
17 for identification, and is  
18 appended to this transcript.]

19 BY MR. LIMAN (Resuming):

20 Q. If you look at page 2, you will see that  
21 Director Casey states that, 

22   
23  
24  
25  

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1 [REDACTED]  
2 He describes shortages, saying,  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]

7 Do you recall that meeting now at all?

8 A. Just vaguely.

9 Q. Do you recall any discussion of the fact that there  
10 were several options, including seeking reprogramming from  
11 Congress, raising money privately and raising money from  
12 foreign states?

13 A. No.

14 I don't recall that specifically, although I do  
15 know that there were those alternatives.

16 Q. How do you know that?

17 A. Well, because I was engaged in the legislative  
18 effort with the Congress and I knew that there were these  
19 private groups because I had seen some come into the White  
20 House.

21 Q. Do you remember any discussion of seeking aid for  
22 the Contras from foreign states?

23 A. No.

24 Q. Were you ever told that [REDACTED] had made a  
25 contribution?

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1 A. No.

2 Q. Were you ever told that funds were being sought

3 [REDACTED]  
4 [REDACTED]  
5 Q. What about [REDACTED]

6 A. No.

7 Q. Did you have a discussion with Admiral Poindexter  
8 and the President before Prime Minister Peres came to the  
9 United States in the fall of 1986?

10 A. Yes.

11 Q. Were you told by Admiral Poindexter that Israel  
12 had offered to supply some arms [REDACTED]  
13 [REDACTED] to the Contras?

14 A. This, again, is vague in my mind. But I recall  
15 that just prior to Mr. Peres coming in, there was a briefing  
16 in the Oval Office by Admiral Poindexter with the usual  
17 list of people there, and there being something about  
18 if Mr. Peres says something to you about arms for the  
19 hostages -- hostages -- arms for the Contras, merely  
20 acknowledge it and say thank you or something like that.

21 But that's all I recall.

22 Q. Mr. Regan, let me see if I can refresh your  
23 recollection.

24 When you testified before the Senate, you testified,  
25 and let me read it to you at page 56:

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1 "The Chairman: Did you ever learn of any foreign  
2 country providing humanitarian or military assistance to the  
3 anti-Sandinista forces in Nicaragua?

4 "Answer: Yes.

5 "When was that?

6 "I cannot tell you whether it was in '85 or '86.

7 It was [REDACTED] *SAID AMBIA*

8 Does that refresh your recollection at all, that  
9 you learned at some point that [REDACTED] was providing  
10 aid?

11 A. All I know is that I had an impression that they  
12 were getting funds from someplace, but I wasn't in that loop.

13 I don't know how to express this, but it was not  
14 something that was discussed with me, or my opinion asked,  
15 or I was told, a "don't tell anybody but," or something  
16 of that nature. But I gained a general impression that there  
17 was somebody involved in supplying. And, adding one and  
18 one, I assumed it probably was [REDACTED] But did I  
19 learn of it? No.

20 Q. When you say you "weren't involved in that loop,"  
21 what loop was that?

22 A. Well, I suspect that what was going on -- they  
23 kept this very close hold.

24 Q. Who is "they?"

25 A. The National Security Council, the National Security

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1 Advisor and his staff, and only a few people were involved  
2 in whatever it was. I wasn't one.

3 MR. STEPHENS: Mr. Regan, you may want to explain  
4 for the record, if you can-- Mr. Liman has pointed out if  
5 you have an explanation for the difference of your view now  
6 and the difference of your view when you were testifying  
7 before the Senate -- if you can.

8 THE WITNESS: Well, at this point in time, I have  
9 read so much and I have impressions so much from the press  
10 reports, the Tower Report, and so on, that I am never sure  
11 now what I did know and what I didn't know at that point.

12 All I can say is at this point in time, I recognize  
13 that I was under that impression. But when you say to me  
14 did I learn of something, I didn't learn of it in that sense  
15 of the word, that I was told.

16 BY MR. LIMAN (Resuming):

17 Q. Were you present at any briefings of the  
18 President by Elliott Abrams?

19 A. Yes.

20 Q. Were there any discussions with Elliott Abrams  
21 about going to foreign countries for money for the Contras?

22 A. Not in my presence.

23 Q. Did you ever hear the President express a view on  
24 whether aid should be sought from foreign countries?

25 A. Not in my presence.

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1 Q. Was there ever any discussion in 1985 and 1986 about  
2 whether the administration was free to seek military aid  
3 from foreign governments for the Contras?

4 A. Not in my presence -- other than this meeting  
5 that you just referred to, and I don't know what's in that  
6 (indicating).

7 Q. And the meeting that I referred to was the  
8 meeting that I have given you the minutes for, of May 16.

9 A. Yes.

10 I don't know -- I haven't read through this  
11 document -- as to whether that came up during that meeting.


12 Q. I'll tell you that the meeting ended with  
13 Secretary of State Shultz being asked to consider the  
14 solicitation of other countries.

15 Do you recall any subsequent response on that  
16 subject after this meeting about whether other countries  
17 were willing to provide aid or not?

18 A. After this meeting?

19 Q. Yes.

20 A. No. I don't recall any.

21 Q. You see, it says, if you look at the last  
22 paragraph, Admiral Poindexter summarizes the meeting, and he  
23 says, 

24  
25 Do you recall any list being prepared?

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- 1 A. I don't recall such a list.
- 2 Q. To the best of your recollection, you never saw
- 3 such a list?
- 4 A. That is correct.
- 5 Q. Going back just a moment to that meeting at which
- 6 Attorney General Meese told the President about the
- 7 diversion, did he tell you that that was referred to in a
- 8 memo that his staff had found?
- 9 A. No.
- 10 Q. I know you have to separate what you now know
- 11 from what you were told at the time
- 12 A. No. I did not know of that memo.
- 13 Q. Have you ever seen that memo?
- 14 A. I have, now.
- 15 Q. But you did not see it on the day that the
- 16 Attorney General told you about this?
- 17 A. No.
- 18 Q. And you had not seen it before?
- 19 A. No.
- 20 Q. And when you saw it, you saw it in connection
- 21 with the investigations?
- 22 A. Peter Wallison first showed it to me as something
- 23 that had been uncovered and was being furnished to the
- 24 Senate and House Intelligence Committees.
- 25 Q. And when he showed it to you, that was the first

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1 time you saw that document?

2 A. Yes.

3 Q. Incidentally, did you have any role in assisting  
4 in the preparation of Mr. Casey for his testimony before  
5 the Senate or House?

6 A. No.

7 Q. Do you recall any discussions with Secretary of  
8 State Shultz about Mr. Casey's testimony?

9 A. In the meeting that the Secretary had with the  
10 President in the late afternoon of November 20, he alluded  
11 to the fact that Casey was going to testify on the following  
12 day and that if he, Casey, had the same inconsistencies, it  
13 would not be good.

14 Q. And what steps were taken to make sure that  
15 Mr. Casey's testimony would be accurate?

16 A. The Attorney General had been brought in to make  
17 certain of where we stood on these things.

18 Q. And who brought the Attorney General in? Did you?

19 A. I don't know specifically who it was. I was  
20 aware of it.

21 Q. Was the Attorney General asked to assist Mr.  
22 Casey in preparing his testimony?

23 A. Well, to try to reconcile the differences, yes.

24 Q. How was somebody going to reconcile differences,  
25 to your understanding?

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1 A. Well, it was my understanding that if A were  
2 alleging one thing and B stating something else, that somebody  
3 should try to find out whether or not A's recollection or  
4 B's recollection was the correct one.

5 Q. Well, you were present at some of the meetings  
6 at which the Iran initiative was discussed, right?

7 A. That's right.

8 Q. Did anyone ask you for your recollection?

9 A. No.

10 Q. So that in preparing the President's speech and  
11 in preparing the Casey testimony, you were not asked what  
12 you recalled?

13 A. That's correct.

14 Q. But when you looked over the President's speech,  
15 did you find anything in it that was inconsistent with  
16 your recollection?

17 A. I'd have to go back to check.

18 Q. Well, if you did, you would have spoken up,  
19 wouldn't you?

20 A. Yes, yes.

21 Q. Do you remember speaking up and criticizing?

22 A. No. I don't remember criticizing as such.

23 No. I don't recall that.

24 Q. You've testified about your recollection of this  
25 series of events relating to Iran.

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- 1 A. Yes
- 2 Q. You testified before the Senate committee, correct?
- 3 A. Right.
- 4 Q. And you were also questioned by Tower.
- 5 A. And the House.
- 6 Q. And by the House.
- 7 As I understand it, your recollection was that
- 8 Mr. McFarlane asked you to see the President when the
- 9 President was in the hospital in July of 1985.
- 10 A. That's correct.
- 11 Q. Were you in charge of the President's schedule
- 12 while he was in the hospital?
- 13 A. No.
- 14 Q. In order for somebody to get to see the President,
- 15 who would they have to clear it with?
- 16 A. Me, and I would clear it with Mrs. Reagan and the
- 17 doctors.
- 18 Q. And you were trying to reduce the President's
- 19 activity while he was recuperating, is that fair to say?
- 20 A. I have been told that by both Mrs. Reagan and the
- 21 doctors.
- 22 Q. And you've learned to listen to both doctors and
- 23 Mrs. Reagan?
- 24 A. Do I have to comment on that?
- 25 Q. No, you don't.

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1                   Anyway, were you restricting the President's visits  
2 to ones of importance?

3           A.    Yes.

4           Q.    What did Mr. McFarlane say to you that seemed  
5 important enough to let him go in to see the President?

6           A.    He had been asking from day one to get to see the  
7 President, saying he had something important regarding an  
8 intelligence finding. But on the second day he told me it  
9 was regarding the hostages.

10                   I believe it was on the third day that we finally  
11 got him in to see the President.

12           Q.    And when he got in to see the President, were you  
13 there with him?

14           A.    Yes.

15           Q.    And did you tell him that he had 15 minutes or  
16 something like that?

17           A.    I said that he had to keep it short, under  
18 doctor's orders.

19           Q.    The President had had his operation, what, just  
20 a week before?

21           A.    Three days before.

22           Q.    Three days before.

23                   Was he in pain? Or discomfort?

24           A.    Uncomfortable.

25           Q.    Did Mr. McFarlane keep it short?

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1 A. Yes.

2 Q. That's when he first talked about Iran, am I  
3 correct?

4 A. Well, about this new initiative that he wanted  
5 to undertake in connection with Iran.

6 Q. Now, do you actually have a recollection of it  
7 now, as opposed to reconstruction from what you have read?

8 A. Yes. I know it differs from other people, but it  
9 is my recollection.

10 Q. It is actually a recollection?

11 A. Yes.

12 Q. What is your recollection?

13 A. That at that first meeting, Bud brought up the  
14 subject of the fact that they had been approached by the  
15 Israelis, who had had a contact that they would put us  
16 in touch with that could lead to a breakthrough in reaching  
17 elements in the Government of Iran.

18 Q. And what did this have to do with the hostages?

19 A. That this could lead to some help in the hostage  
20 situation because we suspected that the Iranians were  
21 in some way connected in to the group who had abducted  
22 the Americans.

23 Q. As you sit here today, do you have any  
24 recollection of McFarlane saying that the Iranians may  
25 want weapons as a show of good faith?

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1 A. I'm not sure it was at that meeting, but it was  
2 shortly thereafter because in the latter part of July, I  
3 recall knowing that there might be weapons involved here.

4 Q. And then is the next thing that you recall a  
5 ~~meeting~~ <sup>meeting</sup> ~~reading~~ on this subject after the President returned to the  
6 White House?

7 A. Yes.

8 Q. Was this a meeting at which Secretary of State  
9 Shultz was present?

10 A. Yes.

11 Now, again, I have a different recollection of this  
12 than some others.

13 Q. And what is your recollection, sir?

14 A. I recall the President being in pajamas and robe,  
15 so this would have taken place in the quarters. But I can  
16 find no one who can give me a record of that, that is, that  
17 there was a record kept of that meeting by the usher or  
18 anyone else.

19 But that is my recollection of it.

20 Q. Do you recall McFarlane describing the Israeli  
21 proposal at that meeting?

22 A. Yes.

23 Q. And do you recall that the proposal was that  
24 the Iranians would get some weapons and in return there  
25 would be some hostages released?

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1 A. No. Not as bluntly as that.

2 This was the first time that I had heard the  
3 word "bona fides." I recall that because of my amusement --  
4 if you will pardon the diversion for a moment -- at the  
5 ~~pronunciation~~ <sup>pronunciation</sup>. It was called "bona fide's" by these people.  
6 As an old Latin scholar, "bona fides" made a lot more sense  
7 to me.

8 But that's the first time I had heard it, and that  
9 was what they referred to, a small amount of arms since that  
10 was currency in the Middle East among these warring groups,  
11 that they would want to know about bona fides by having  
12 this supply of arms.

13 Q. Do you recall whether the Secretary of Defense  
14 was there?

15 A. I believe I do place him there.

16 Q. And do you remember the positions that various  
17 people took at this meeting?

18 A. Everyone was cautious about jumping into this sort  
19 of affair. That is my general impression.

20 Q. Was there any discussion about whether under law,  
21 Israel would be free to sell U.S. weapons to Iran?

22 A. I know that issue came up. But whether or not it  
23 came up at that meeting, I do not know.

24 Q. Have you, incidentally, had occasion to see the  
25 notes, the paraphrases of the notes, that the President made

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1 available to the Tower Commission?

2 A. No.

3 Q. You haven't?

4 A. Not the notes.

5 Q. Or the typed version of them?

6 A. No.

7 That went directly from the President, in his  
8 handwriting, to Peter Wallison, who had them typed up apart  
9 from my seeing it.

10 Q. Did you take a position at this meeting in  
11 August on whether the President should authorize McFarlane  
12 to pursue the matter?

13 A. Yes.

14 Q. What was your position?

15 A. I thought that it was worth pursuing.

16 It was an opening. I thought we should explore it.

17 Q. Do you remember what the President said?

18 A. I recall that he did authorize McFarlane to explore  
19 it further.

20 Q. Now, as I understand it, the President, then, on  
21 August 6 or so went out to California.

22 A. It was some time in that period, but I don't know  
23 the exact date

24 Q. Did you go to California with him?

25 A. A part of the time, yes.

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1 Q. Were you ever told by the President that he had  
2 told McFarlane that if Israel wanted to sell weapons, the  
3 United States would replenish them?

4 A. I cannot recall that.

5 Q. Do you recall at this meeting in the quarters with  
6 Secretary of State Shultz, McFarlane, and the President  
7 whether there was any discussion of "deniability?"

8 A. I don't recall it being said there; there were  
9 other times when that word was used.

10 Q. Tell me what you recall about that.

11 A. That later -- this would have been, at least the  
12 way I place it, back in September or in through there, when  
13 we discussed this, that if there were to be any other  
14 shipments and the like, we couldn't be seen as being the  
15 ones that were engaging in shipments. If Israel did it, that's  
16 one thing; but if we were to do it, that would be bad and  
17 we'd have to be able to deny it.

18 Q. The Tower Commission's Report refers to Secretary  
19 of State Shultz's testimony and notes about an August 6  
20 meeting and one in January, in which there was a discussion  
21 about the fact that if Israel sold the missiles, the United  
22 States could always deny that it was involved.

23 Does that refresh your recollection at all?

24 A. It doesn't refresh my memory, but I know that that  
25 type of statement was made, but by whom, I don't know.

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1 Q. Do you recall Secretary of State Shultz saying  
2 that that would not work?

3 A. I do know that the President was cautioned on this.  
4 But, again, by whom, I could not swear.

5 Q. I want to skip ahead to a meeting with the  
6 President in December of 1985, and the date I have is  
7 December 5 and then December 7.

8 Do you recall that in November, while you were  
9 at Geneva, you learned that there were some Hawks being  
10 shipped by Israel?

11 A. Yes.

12 Q. And you testified previously that you were told  
13 in advance that this shipment would be taking place. I  
14 think you told that to the Senate.

15 A. Yes.

16 Q. Do you remember who --

17 A. The reason I am pausing is I wanted to make  
18 sure that I knew they were Hawks. I knew they were  
19 munitions.

20 Q. Do you remember who told you that?

21 A. Yes. Bud McFarlane.

22 Q. Do you recall any briefing when you returned from  
23 Geneva in which Mr. McFarlane described a plan in which  
24 Israel would sell weapons to Iran in installments, that the  
25 hostages would be released in installments?

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1 A. I have a vague recollection of that. But I seem  
2 to think of that in terms of those Hawk missiles; that there  
3 was a plan whereby they would originate in one place and a  
4 shipment would go into Iran, and it would only be a partial  
5 shipment, and then the hostages were to be released, and  
6 then --

7 Q. When do you remember that being discussed?

8 A. In Geneva.

9 MR. STEPHENS: I'm sorry. I didn't hear what he  
10 said.

11 MR. LIMAN: "In Geneva," he said.

12 BY MR. LIMAN (Resuming):

13 Q. I should tell you that the notes that the  
14 President's counsel turned over to the Tower Commission  
15 refer to a discussion about the sale of weapons to Iran  
16 by Israel in installments. The discussion took place on  
17 December 7.

18 A. Oh, yes. That's a separate meeting. I recall that  
19 meeting distinctly.

20 Q. What do you recall about that meeting?

21 A. Well, that was one in the quarters, and, again,  
22 this is one where John McMahon was there instead of Bill  
23 Casey.

24 Q. That's right.

25 A. I remember that meeting.

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- 1 Q. That's the meeting where he was wearing --  
 2 A. A plaid jacket.  
 3 Q. -- a flashy jacket?  
 4 A. Yes, sir.  
 5 Q. Do you remember a description by Mr. McFarlane  
 6 of an Israeli proposal there?  
 7 A. Yes.  
 8 Q. Was it a proposal to sell weapons?  
 9 A. That's right.  
 10 Q. Were they Tows or Hawks?  
 11 A. Those were Tows, at that point.  
 12 Q. And they would be sold in installments -- do you  
 13 recall that?  
 14 A. I am not sure of the installments, but I know  
 15 they were to be sold and hostages brought out.  
 16 Q. I should tell you that, again, the President's  
 17 paraphrase of his notes and, according to the Tower  
 18 Commission, Secretary of State Shultz's notes indicate that  
 19 Secretary of State Shultz, Secretary of Defense Weinberger and  
 20 you expressed opposition.  
 21 Do you recall that?  
 22 A. Yes. I have had my memory refreshed on that one.  
 23 Q. How have you had your memory refreshed?  
 24 A. By the President telling me that. [REDACTED]  
 25 [REDACTED]

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1 [REDACTED]  
 2 Q. And when he told you that, what was that, in connection  
 3 with the Tower testimony?

4 A. Yes, as he prepared for the Tower testimony.

5 Q. Did it ring a bell?

6 A. Yes, it did.

7 Q. Now I want you to tell me about why you opposed it.

8 A. Well, the thing had been a fiasco up to that point,  
 9 in my judgment. It had not worked.

10 We were dealing with some very unusual people. We  
 11 were fooling around for the better part of six months with  
 12 very little results to show for it, and I couldn't see the  
 13 value of pursuing that avenue anymore. I thought we were  
 14 dealing either with the wrong people or in the wrong way.

15 And, without passing merits on the information or the  
 16 plan or anything else, I just said that I think it's a  
 17 waste of time and we ought to get out of it.

18 Q. Do you remember what Secretary of State Shultz's  
 19 view was?

20 A. He was opposed to it on the grounds of selling  
 21 weapons to Iran would be misunderstood by our allies if the  
 22 news became public.

23 Q. Did you change your mind between December 7 and  
 24 the January meetings?

25 A. I did.

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1 Q. What led you to change your mind?

2 A. John Poindexter's assurances to the President, I  
3 think first enunciated on the way home on Air Force One  
4 Let me rephrase that -- back to Washington on Air Force One  
5 from California. I think we may have had a Mexican meeting,  
6 a meeting in Mexico, at that time.

7 Q. When was that? Do you recall?

8 A. That would have been in the first part of  
9 January, 1986, and the President being briefed by John that  
10 there was a whole new lead and a whole new plan and that it  
11 might turn things around, and he wanted to brief the  
12 President more on it after we got back to the White House.

13 Q. Now, do you recall --

14 A. Oh, plus the fact that, in the meantime, McFarlane  
15 had gone to London, returned, and his resignation had become  
16 effective, and it was now Poindexter that was the main  
17 proponent here.

18 Q. Do you recall that when McFarlane came back from  
19 London, he indicated that if you terminated discussions with  
20 the Iranians, the hostages could be killed?

21 A. Yes.

22 Q. Who did he tell that to?

23 A. This he said to the President at one of these  
24 9:30 briefings, and, again, I believe it was the President,  
25 the Vice President, Poindexter, McFarlane, and myself.

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1 Q. Was there any thought given at that point that you  
2 were now in a situation where, having started discussions,  
3 you were almost being "blackjacked" into continuing?

4 A. I wouldn't say "blackjacked," but this was becoming  
5 increasingly evident, that unless we got on a new tack, we  
6 would, (a) probably never see our hostages; or (b) the whole  
7 project would end in dismal failure.

8 Q. And in January, when the President signed the  
9 finding, did you think you were on a new tack?

10 A. Yes.

11 Q. Explain that.

12 A. Well, Poindexter apparently had had new overtures  
13 and a new plan from these people, which seemed to indicate  
14 that there was more realism by the people with whom we  
15 were in contact, and that definitely they would work harder  
16 to get the hostages out.

17 Q. But, as I understand it, Mr. Regan, Poindexter was  
18 still dealing with Ghorbanifar, and you understood that,  
19 didn't you?

20 A. Yes.

21 Q. In January?

22 A. Yes.

23 Q. You were still talking in January about the  
24 Israelis selling weapons and the United States replenishing  
25 them. Correct?

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- 1 A. At some point --
- 2 Q. It changed.
- 3 A. I think we were still on that tack, yes. It
- 4 was later in the year that it changed.
- 5 Q. At some point it changed, but in the beginning it
- 6 was Israel?
- 7 A. Yes.
- 8 Q. So you were dealing with the same intermediary.
- 9 You were dealing with Israel, and why was this a change in
- 10 tack that led you to change your view?
- 11 A. Because of Poindexter's assurances that this was
- 12 a new approach with a lot more realism and a lot more chance
- 13 of being successful.
- 14 Q. So, what it really came down to was that Poindexter
- 15 convinced you that there was more of a potential for
- 16 success?
- 17 A. Yes.
- 18 Q. Now, do you recall that the proposal that he brought
- 19 in early January involved the sale by the Israelis of
- 20 weapons and the resupply by the United States?
- 21 A. Yes.
- 22 Q. And that that then got changed to having the
- 23 weapons sold by the Pentagon to the CIA and by the CIA to an
- 24 intermediary, to a private party?
- 25 A. I don't believe those details were discussed

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1 at the January 7 meeting.

2 Q. Well, do you recall that at the January 7 meeting --  
3 and I will show you the finding -- that you were still talking  
4 about Israel?

5 A. Yes.

6 Q. And do you remember that you were talking about  
7 even a possibility that Israel would release some  
8 Hezbollah's that it had in prison?

9 A. Yes.

10 Q. And these were people who didn't have "blood on  
11 their hands."

12 A. Exactly.

13 Q. And that Iran would pledge that it would engage  
14 in no acts of terrorism.

15 A. As a matter of fact, I think it was indicated at  
16 that meeting, at that point in time that there had been a  
17 lessening of terrorism by Iran and that they were furthering  
18 their pledge.

19 Q. Now, is it a fact that at the time that the January  
20 7 meeting of the group -- the Secretary of State, the  
21 Secretary of Defense, the Attorney General, and so on --  
22 took place, that the President had already signed a finding?

23 A. That has been a peculiarity to me of this  
24 whole affair, because it is definitely out of normal  
25 procedure for the President to have signed a finding on

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1 January 6 on a subject that would be discussed at a meeting  
2 on January 7.

3 Q. Well, you are quoting the Tower Report as saying  
4 that it was signed by mistake.

5 A. I have to think that because it would not be  
6 correct for the President to have signed something. I think  
7 what happened is that he was given that as a briefing paper,  
8 to read on the evening of January 6, in preparation for his  
9 meeting on January 7, and, inadvertently, he signed it,  
10 because at the end it did have a place for approval or  
11 disapproval.

12 Q. Do you remember him doing it?

13 A. I don't remember his doing it, no.

14 Q. Do you remember the briefing on January 6 --

15 A. Yes.

16 Q. -- before the January 7 meeting?

17 A. Yes.

18 MR. LIMAN. I want to have marked as Regan 2 a  
19 briefing paper and the January 6 finding.

20 [The document referred to,  
21 document number N 1323, was  
22 marked Regan Exhibit No. 2,  
23 for identification, and is  
24 appended to this transcript.]

25 BY MR. LIMAN (Resuming):

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1 Q. Have you ever seen the briefing memo that is  
2 attached to the finding?

3 A. I probably did. It would be normal for me to  
4 see this, particularly as it was discussed on January 6.

5 The normal course of action was for the National  
6 Security Advisor to pass out copies of what he was giving  
7 to the President at that meeting, and then to collect copies  
8 back when the meeting was over, except for that one he would  
9 leave with the President.

10 Q. You see, it describes the plan as saying, "As  
11 described by the Prime Minister" of Israel's <sup>embassy</sup> ~~embassy~~ the  
12 only requirement the Israelis have is an assurance that they  
13 will be allowed to purchase U.S. replenishments for the stocks  
14 that they sell to Iran. A Presidential Covert Action Finding  
15 is required in order for us to allow the Israeli transfers  
16 to proceed, for our subsequent replenishment sales to Israel,  
17 for other assistance which may be deemed appropriate  
18 (e.g., intelligence)."

19 ~~You have~~ actual recollection that the plan was  
20 for Israel to sell?

21 A. Yes.

22 MR. STEPHENS: May I interrupt.

23 There is no date on this document.

24 MR. LIMAN: There is no date on the copy that I  
25 have, which I have given to him. But if you look at the

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1 covert finding, you will see there is a date of January 6.

2 BY MR. LIMAN (Resuming):

3 Q. Am I correct that it was this plan that was --

4 A. That, again, by the way, is another reason to  
5 suspect that this was sort of out of order, the signature  
6 on here, because, normally, these things would have been  
7 dated when they are actionable. But if they are just  
8 for memoranda, sometimes they are not dated.

9 But go ahead.

10 Q. Do you recall, incidentally, receiving a finding  
11 from the CIA in December?

12 A. No.

13 Q. Do you recall any discussion with the CIA that  
14 it wanted a finding to protect it on the assistance that it  
15 gave in the November shipment?

16 A. McMahon brought that up at the December 7 meeting.

17 Q. What did he say?

18 A. He said that they needed a finding if they were  
19 to continue on this type of thing, and we should probably  
20 have one ex post facto.

21 Q. And was any decision made on it?

22 A. I think all of us agreed that it probably should  
23 be done, yes.

24 May I interrupt here for a five minute break?

25 Q. Sure.

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1 [A brief recess was taken]

2 MR. LIMAN: Back on the record.

3 Would you mark as the next exhibit a memorandum  
4 dated January 17, 1986, from Admiral Poindexter to the  
5 President.

6 [The document referred to,  
7 document number N 10046, was  
8 marked Regan Exhibit No. 3,  
9 for identification, and is  
10 appended to this transcript.]

11 MR. LIMAN: Number 4 is the finding of January  
12 17, 1986, signed by the President, with an attachment to it  
13 of the January 6 finding, marked up to show the change  
14 between the January 6 and January 17 finding.

15 [The document referred to,  
16 document number N 8085, was  
17 marked Regan Exhibit No. 4,  
18 for identification, and is  
19 appended to this transcript.]

20 BY MR. LIMAN (Resuming):

21 Q. Mr. Regan, do you have an actual recollection of  
22 yourself, of why the plan for Israel to sell the arms to Iran  
23 was changed between the January 7 meeting and January 17?

24 A. No, I do not.

25 Q. If you look at this memorandum -- I'll put it in

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1 front of you, which is Exhibit 3 -- at the bottom of the first  
 2 page" it says, "As described by the Prime Minister's  
 3 emissary, the only requirement the Israelis have is an assurance  
 4 that they will be allowed to purchase U.S. replenishments for  
 5 the stocks that they sell to Iran. We have researched the  
 6 legal problems of Israel's selling U.S. manufactured arms to  
 7 Iran. Because of the requirement in U.S. law for recipients  
 8 of U.S. arms to notify the U.S. Government of transfers to  
 9 third countries, I do not recommend that you agree with the  
 10 specific details of the Israeli plan. However, there is another  
 11 possibility. Some time ago, Attorney General William French  
 12 Smith determined that under an appropriate finding you could  
 13 authorize the CIA to sell arms to countries outside of the  
 14 provisions of the laws and reporting requirements for foreign  
 15 military sales. The objectives of the Israeli plan could be  
 16 met if the CIA" using an authorized agent, as necessary,  
 17 purchased arms from the Department of Defense under the Economic  
 18 Act and then transferred them to Iran directly after receiving  
 19 appropriate payment from Iran."

20 Do you see that?

21 A. Uh-huh.

22 Q. Does that refresh your recollection that there was  
 23 concern expressed about the fact that Israel could not sell  
 24 arms directly to Iran without notification to Congress?

25 A. No, it doesn't.

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1 I understand what I'm reading, certainly. But I  
2 still don't recall any more about that meeting.

3 Q. Do you recall any briefing of the President in  
4 which that was told to him?

5 A. I don't recall specifically that it -- I would  
6 have to answer that, generally, I do not recall it being  
7 brought to the President's attention.

8 Q. Do you recall any discussion by Admiral Poindexter  
9 with the President in which Admiral Poindexter pointed out  
10 that, instead of Israel selling to Iran, that an agent  
11 of the CIA would sell to Iran?

12 A. I don't recall that. No.

13 Q. Well, you're aware now, from reading the newspapers  
14 and the Tower Board report and what else you learned, that  
15 the arms to Iran was sold by corporations, that the route  
16 was from the Pentagon to the CIA to a corporation to  
17 another entity and then to Iran. You are aware that it was  
18 that kind of arrangement?

19 A. Yes, I generally was.

20 Q. Did you know at the time that the President  
21 signed the January 17 finding that a private corporation was  
22 going to be used as an intermediary?

23 A. No. I had no knowledge of that.

24 Q. Was the President told that?

25 A. Not in my presence.

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1 Q. What did you understand was going to be the route  
2 for the sale of the arms?

3 A. I didn't bother myself with those details.

4 Q. Well, when you say you "didn't bother yourself  
5 with those details," were those details communicated  
6 to the President in your presence?

7 A. No, they were not.

8 Q. And, as you sit here today -- I know it's some  
9 time ago -- did you have any understanding of who actually  
10 was going to sell the arms to Iran?

11 A. No.

12 Q. Did you think it was the United States that was  
13 going to sell them?

14 A. I knew they would be our weapons that would  
15 eventually find their way to Iran. But how, I had no  
16 specific knowledge.

17 Q. Do you recall any discussion at any point during  
18 this process, leading up to the January 17 finding, that  
19 maybe [REDACTED] could supply the arms?

20 A. No.

21 Q. That anyone didn't have restrictions on sales of  
22 arms like we had?

23 A. When you say [REDACTED] a distant bell rings  
24 in my mind. But the specifics, I can't remember, no.

25 Q. Let me state what my concern is.

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Saudi Arabia?  
(13)

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1                   When you read these documents, you see that the  
2 original plan was that the United States would sell to  
3 Israel and Israel would sell to Iran. That's the way  
4 it was described to you.

5                   Am I correct?

6           A.    That's correct.

7           Q.    And then it gets changed to have a third party  
8 interposed, and the reason given is that you don't have  
9 to notify Congress. And that doesn't ring a bell with you?

10          A.    No, it doesn't.

11          Q.    But what does ring a bell, I assume, is that there  
12 was discussion of delaying notification to Congress of the  
13 finding.

14                   That you recall?

15          A.    Yes.

16                   My impression is the reason for the delay was  
17 always the safety of the hostages.

18          Q.    Now, let's talk about that.

19                   Whose idea was it that Congress shouldn't be  
20 told?

21          A.    I cannot put that to any one specific person.  
22 It would be my impression that this came generally from  
23 NSC sources.

24          Q.    You understood that Ghorbanifar knew of the plan,  
25 right?

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1 A. Yes.

2 Q. And you were willing to take the risk -- when I  
3 say "you," I mean, obviously, the President and his advisors  
4 were willing to take the risk that Ghorbanifar would keep  
5 a secret -- correct?

6 A. Yes.

7 Q. And Israel knew about this?

8 A. Yes.

9 Q. And you were willing to take the risk that Israel  
10 would keep that secret?

11 A. Yes.

12 Q. And, of course, Iran and elements in Iran would  
13 have to know about this?

14 Right?

15 A. Yes.

16 Q. And you would be taking risk, that they would  
17 keep the secret?

18 A. Yes.

19 Q. Did anyone say that it makes no sense at all to  
20 trust these outsiders but not to trust the Intelligence  
21 Committees of the United States Congress?

22 A. I don't recall it being put as starkly as that.

23 Q. You see, this wasn't a closely guarded secret.  
24 You had a country that was describing the United States as  
25 "Satan" which knew of this.

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1 A. Well, I know now a lot more than I knew then. But  
2 I had no idea of the numbers of people involved.

3 We thought it was a small, select group. Each one had  
4 a peculiar interest in this.

5 Q. But, Mr. Regan, missiles were going to arrive in  
6 Iran and so there would be military leaders there and a  
7 government that would know, you know, that they just  
8 didn't come in the mail. Right?

9 A. We were aware of that.

10 As a matter of fact, that was one of the reasons  
11 that we were shipping them.

12 Q. Was it so that they would be available for their  
13 army?

14 A. No. So that they would understand that they  
15 were dealing with the President and that we were trying  
16 to establish contacts with them.

17 Q. But you have no recollection whatsoever of anyone  
18 saying that whatever may be the provisions for delaying  
19 notification, how can you justify delaying notification  
20 when you have foreign countries who know about it, when you  
21 have a middleman like Ghorbanifar knowing about it?

22 A. No way.

23 Q. That point was just not raised?

24 A. No. I do not recall that coming up.

25 Q. Do you recall any discussion about when Congress

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1 could be notified?

2 A. All I kept remembering was in due course or in  
3 proper course.

4 Q. From the time the finding was approved until all  
5 this news broke in the end of October, 1986, did the  
6 Attorney General ever inquire of you as to whether the time  
7 had come to notify Congress?

8 A. No. Not that I recall.

9 Q. Did he ever inquire of the President in your  
10 presence?

11 A. I recall the Attorney General at one or more  
12 meetings stating that there would come a time when we would  
13 have to notify the Congress. Yes.

14 Q. But was there any discussion of whether that time  
15 had arrived?

16 A. I don't recall it in that time.

17 Q. Did you consider the McFarlane mission a failure?

18 A. Which one?

19 Q. The one in May.

20 A. The one in May? A failure -- no, because we  
21 didn't know what would lead from it. A disappointment, yes.

22 Q. Was there any consideration at that point in  
23 your presence of notifying the Congress?

24 A. No. I don't recall that coming up.

25 Q. Did anyone give any particular reasons for not

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1 notifying the Congress?

2 A. The safety of the hostages was what I keep remembering  
3 as the paramount concern, and that anything that you say,  
4 if it leaks and gets into the press, there will be danger  
5 to the lives of the hostages.

6 Q. So that if Congress let it out that there were  
7 these discussions going on, that could endanger the  
8 hostages?

9 A. Yes.

10 Q. Did anyone give any explanation as to why that  
11 would be?

12 A. I don't know that anyone gave that explanation.

13 I do know that I was under the impression that  
14 the Iranians were in touch with people but did not control  
15 the people who had the hostages, and if that cover were  
16 blown, the reaction of the captors might be to destroy  
17 the hostages.

18 Q. By "the cover," you mean that if the captors knew  
19 that Iran was bargaining for their release?

20 A. Yes.

21 Q. And what assurance did you have at these meetings  
22 that Ghorbanifar would keep his mouth shut?

23 A. None, except he was one of the parties in there  
24 that was a representative of the Iranian forces who wanted  
25 these things; that it was in their self-interest not to have

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1 it disclosed.

2 Q. Weren't you told before this January 17 finding  
3 was signed, that the CIA considered Ghorbanifar to be a man  
4 of deceit?

5 A. We were told that at some point, but exactly when,  
6 I don't remember.

7 Q. Were you told that he had flunked a lie detector  
8 test?

9 A. I'm not sure we were told prior to January 17.

10 Q. Whenever you were told, was there any thought given  
11 at that point to telling the Congress?

12 A. Not in my presence, no.

13 Q. Who had the responsibility for monitoring the  
14 compliance with the reporting statutes?

15 A. The National Security Council, the National Security  
16 Advisor.

17 Q. Was there ever any discussion in your presence  
18 of the view that restrictions that applied to the CIA  
19 did not apply to the National Security Council?

20 A. I believe -- again, this is an impression, without  
21 knowing specifically who told me this -- that there was a  
22 distinction and some difference between their standings.

23 Q. And you do not recall who told you that?

24 A. No.

25 Q. Do you remember whether that came up in connection

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1 with the Contra aid?

2 A. It did not come up in connection with the Contra  
3 aid.

4 Q. What did it come up in connection with?

5 A. I think it was in this time that we were in this  
6 general frame, of January - February discussions, followed by an  
7 actual sale in February. It was at that period of time.

8 Q. Was there ever -- did you ever hear anyone say  
9 we have to let the NSC do it because the CIA can't?

10 A. No. I don't recall that being the case.

11 Q. The last thing I wanted to ask you is this. You  
12 obviously have read the Tower Commission report.

13 A. Yes.

14 Q. Insofar as your role is concerned, are there any  
15 factual assertions there that you would dissent from? I'm  
16 not talking about the conclusions. I can assume about that.

17 A. Factual conclusions -- I haven't checked it with that  
18 in mind. I looked at the conclusions, with some of which  
19 I differ, and some references to my own testimony, to make  
20 certain that what they quoted was correct, as far as I  
21 remembered it. But as to whether or not everything in there  
22 was factual, no.

23 I have been told there are errors, but I have not  
24 looked for them myself. ~~uh~~

25 MR. LIMAN: Do you have any questions?

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1 MR. EGGLESTON: Actually, we are curious observers  
2 at this and I don't have any questions.

3 MR. LIMAN: Does anyone have any questions?

4 [No response]

5 MR LIMAN: I thank you very, very much.

6 THE WITNESS: Thank you very much for your  
7 courtesies.

8 [Whereupon, at 5:15 o'clock, p.m., the taking of  
9 the instant deposition ceased.]

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4 DEPOSITION OF DONALD F. REGAN

5

6 Wednesday, July 15, 1987

7

8 House of Representatives,

9 Select Committee on Investigate

10 Covert Arms Transactions with Iran,

11 Washington, D.C.

12

13 The select committee met, pursuant to call, at 8:30 a.m.,

14 in [REDACTED]

15 Pamela J. Naughton [Staff Counsel to the select committee]

16 presiding.

17 Present: On behalf of the House Select Committee: Pamela

18 J. Naughton, Staff Counsel; and Robert W. Genzman, Associate

19 Minority Counsel.

20 On behalf of the Witness: John A. Mintz, Attorney at Law,

21 Gibson, Dunn &amp; Crutcher.

22 Also Present: Corrine Travis, Notary Public.

Actually released on July 28, 1987  
 under provisions of E.O. 12333  
 by P. Rogers, National Security Council

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23 MS. NAUGHTON: We are on the record.  
 24 I am Staff Counsel to the House Select Committee to  
 25 Investigate Covert Arms Transactions with Iran. People  
 26 around the table, if you would, please introduce yourselves.  
 27 MR. GENZMAN: My name is Robert W. Genzman. I am  
 28 Associate Minority Counsel for the House Committee.  
 29 MR. MINTZ: I am John Mintz. I am counsel for Mr.  
 30 Regan.  
 31 THE WITNESS: I am the interviewee.  
 32 MS. NAUGHTON: Did we have a notary? Great. Thank  
 33 you.  
 34 THE WITNESS: Would you come in now? Would you  
 35 identify yourself for these people?  
 36 MS. TRAVIS: Corrine Travis, Notary Public.  
 37 MS. NAUGHTON: And you are a notary for the State of  
 38 Virginia?  
 39 MS. TRAVIS: At large; that is right.  
 40 MS. NAUGHTON: Thank you. If you could, would you  
 41 please swear the witness?  
 42 MS. TRAVIS: Oh. Will you please raise your hand?  
 43 Upon.  
 44 DONALD F. REGAN T.  
 45 was called for as a witness and, after being duly sworn, was  
 46 examined and testified further as follows:  
 47 MS. NAUGHTON: Okay. Thank you.

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48 . MR. MINTZ: Thank you very much.

49 . MS. TRAVIS: You are most welcome.

50 . MS. NAUGHTON: I appreciate your cooperation.

51 . MR. MINTZ: Fine.

52 . [Discussion off the record.]

53 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

54 BY MS. NAUGHTON:

55 . Q Okay. Mr. Regan, I, of course, read your previous

56 deposition before the committees and I don't want to plow

57 through old ground at all. What I want to do is take you

58 through a couple of events that we need a little more

59 explanation about.

60 . And I would like to start with basically the downing

61 the Hasenfus plane in October of--first week in October of

62 1986.

63 . A Um-hum.

64 . Q Could you tell me, sir, when that went down? And

65 the news reports started coming in, what were you told about

66 the connection of that plane, that C-123, with any

67 government operations?

68 . Very little, if anything. It was not identified, at

69 least in my presence, as being a government plane or either

70 a government agent.

71 . Q Okay.

72 . And did anyone give you that assurance that there

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73 | was no government involvement with the aircraft?

74 | **[REDACTED]** I don't recall the question being raised either way.

75 | **[REDACTED]** 2 There were statements from the Administration that

76 | the plane was not in any way connected to the United States,

77 | very early on. Do you recall?

78 | . A That did not come from the Oval Office nor my side

79 | of the West Wing. Whether it came from anyone else there, I

80 | wouldn't know.

81 | . 2 Were you aware of the request for Independent

82 | Counsel made by the House Judiciary Committee then in the

83 | second week of October 1986, regarding Oliver North and an

84 | alleged supply--

85 | . A I remember reading about it at the time, but I don't

86 | recall it being the subject of any suggestion of me.

87 | . 2 Okay.

88 | . Do you recall reading about who was the target or

89 | the alleged suspects of that IC probe, the request for the

90 | IC?

91 | . A No, that is very hazy in my mind. You have got to

92 | remember right about that time, I believe we were preparing

93 | *to go* **[REDACTED]** to Reykjavik to meet with General Secretary Gorbachev,

94 | *and* **[REDACTED]** was the thing that was uppermost in our minds, and

95 | **[REDACTED]** same time, as I recall it, we were having a major

96 | budget battle.

97 | . We did not have a budget, and September 30 had come

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98 and gone, and we were worried about that. Those were the  
99 things that were occupying my attention, and accordingly,  
100 this incident in Central America did not capture my  
101 attention at all.

102 . Q I would like to go back then, if I could, to the  
103 November Hawk shipment in--

104 . A I apologize for that noise in the background, but  
105 they are building office space next door.

106 . Q Hawk is H-a-w-k, a type of missile that the Israelis  
107 sold to Iran on or about November 25 or so, 1985. You, I  
108 take it, were in Geneva with the President before this  
109 occurred?

110 . A That is correct.

111 . Q Do you recall Bud McFarlane briefing yourself or the  
112 President regarding this imminent shipment of missiles by  
113 Israel?

114 . A I recall Bud telling me that he had some information  
115 about the hostages that he had to tell the President, and I  
116 saying to him that as soon as we get a moment's respite from  
117 the business at hand, we will try to get a few minutes with  
118 *the* President, but in all honesty, I didn't want to  
*interrupt* ~~the~~ disrupt the President's train of thought, because we were  
120 concentrating on disarmament and some of the Soviet  
121 proposals, but there did come a time when McFarlane was able  
122 to brief the President on this, and it was that, a very

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123 | brief meeting to tell him about the Hawks and the hostages.  
124 | Q Was that done in your presence?  
125 | A I believe so.  
126 | Q Was anyone else there besides the three of you?  
127 | A I don't recall there being anyone else at that time.  
128 | X I do recall that McFarlane told me that he would or had, I  
129 | am not sure which, discussed this with Shultz.  
130 | Q Did he say whether or not he had discussed it with  
131 | Secretary Weinberger or intended to?  
132 | A Well, Weinberger was not in Geneva, and so therefore  
133 | I don't recall his telling me anything about Weinberger.  
134 | Q Okay.  
135 | Do you recall then what he told you regarding this  
136 | Hawk shipment?  
137 | A It is very vague, because you have got to remember,  
138 | this is just, again, a few minutes in a very busy 72-hour  
139 | period, but it was to the effect--it sticks in my mind is  
140 | that there would be 80 Hawks, not 18, 80 Hawks that were  
141 | going to be shipped from Israel to Iran, and it is also  
142 | vague in my mind.  
143 | I am not sure if this is the time or at a later date  
144 | that there was discussion of the simultaneous release of  
145 | some prisoners by Israel, people that they had incarcerated  
146 | who were non-terrorists, and our own hostages would be  
147 | released by the Hizballah simultaneously.

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148 I do recall his saying it was a complicated deal,  
 149 ~~because these~~ <sup>planes</sup> ~~planes~~ had to get airborne, hostages released,  
 150 ~~planes~~ <sup>bring</sup> continue their mission and land--I believe it was into  
 151 ~~Brass~~ but I don't want to swear to that, and if the  
 152 hostages weren't released and the planes had not reached the  
 153 point of no return, they would come back.

154 Q Did Mr. McFarlane mention any involvement by the CIA  
 155 on any of this, in the transportation or in the air  
 156 clearance?

157 A No, no details.

158 Q Did he mention any involvement that he had  
 159 participated in in getting air clearances through ~~certain~~  
 160 countries?

161 A No.

162 Q Okay.

163 Was this taken to you, then, as sort of simply  
 164 informational or for seeking concurrence or approval of the  
 165 President?

166 A I don't recall its being stated as--you know, "Mr.  
 167 President, will you give us your approval?", or things of  
 168 <sup>that</sup> ~~that~~ nature. It was more in the nature, I want to keep you  
 169 <sup>posted</sup> ~~on~~ on what is going on, you know, sort of "meanwhile,  
 170 back at the ranch" type of information.

171 But I don't recall permission being sought or given.

172 Q Was this--was it your understanding at that point

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173 ~~that~~ this was solely an Israeli operation or--  
174 . A Yes.  
175 . Q Okay.  
176 . And was--  
177 . A Although we were aware of it, our people were aware  
178 of it, and although which of our people or who was not  
179 stated.  
180 . Q Was there a discussion either at that time or  
181 shortly subsequent to that regarding the replenishment of  
182 those Hawk missiles back to Israel?  
183 . A I am not sure it was at that time, but I did have an  
184 understanding that we would be asked to replenish the stocks  
185 for the Israelis.  
186 . Q And was there a decision made as to replenishment as  
187 to how that would happen, or a discussion as to how it would  
188 occur?  
189 . A No.  
190 . Q Was it decided then that we would replenish, or was  
191 it simply mentioned that--  
192 . A It was mentioned that we would probably be asked, as  
193 recall it. I, again--I can't recall the precise words, but  
194 in general, the understanding was that we would be asked to,  
195 and there was no dissent from the President nor from me that  
196 we wouldn't replenish.  
197 . Q All right. And was this in 1985?

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198 . A November of 1985, while in Geneva. Which date, I  
199 don't know.

200 . Q Do you know of anyone else in the Federal Government  
201 that was aware of this shipment other than yourself, the  
202 President, Mr. McFarlane and possible Secretary Shultz?

203 . A No.

204 . Q Okay.

205 . A Oh, wait. No, I wouldn't swear to that.

206 . MR. MINTZ: Counsel, is your question at that  
207 time--his knowledge at that time?

208 . MS. NAUGHTON: Yes, obviously people have learned  
209 subsequently, but I am speaking in terms of the November 18  
210 through 25 time frame.

211 . THE WITNESS: I was trying to think as to whether  
212 McFarlane told the President the source of his information  
213 as to who had told him this, but I can't recall with any  
214 definitiveness the name of the person.

215 . BY MS. NAUGHTON:

216 . Q Okay. Was Mr. McFarlane speaking from notes or  
217 simply off the top of his head?

218 . A I think it was more from memory.

219 . Q Okay.

220 . A And did anybody--

221 . A Because, again, you have got to remember that  
222 oftentimes, during that period of time we were in Geneva,

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223 these types of conversations and--where information was being  
 224 passed to the President, and as I recall was also right at  
 225 that time--I think at that time were engaged in something  
 226 else about the budget.

227 I would take the President aside, and you just go  
 228 over to the side and talk about something and then get back  
 229 into the mainstream. It was that type of conversation.

230 Q Okay.

231 So there were no notes taken that you can recall?

232 A No. I certainly didn't make any notes myself.

233 Q Now, shortly after this episode, of course, there  
 234 was a finding prepared by Judge Sporkin, and then sent on to  
 235 the President.

236 Do you recall ever seeing this November 26 finding?

237 A You say it was sent to the President. I don't know  
 238 that to be a fact, and I have never seen it. I learned of  
 239 that subsequently, but I don't recall ever seeing nor  
 240 hearing about the Sporkin finding in November of 1985.

241 Q Okay.

242 Could you tell me, would you normally get involved  
 243 *any(?) such(?)* findings, or would that be something done totally through  
 244 *Director* Peter Casay to the President?

245 A I would have to qualify it. I would say usually.  
 246 There--there is way that that could by-pass me, and sometimes  
 247 information or memoranda of this nature did by-pass me, so I

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248 couldn't say that I always was involved, but usually.

249 Q Could you tell us how it would be that it would by-  
250 pass you?

251 A Each--now, this is very sensitive what I am going to  
252 say here. Can I assume that anything I say will be held in  
253 confidence?

254 MR. MINTZ: Not in confidence, but let's stop for a  
255 moment and inquire about classification level. That is one  
256 of the concerns you have, I am sure. What are the levels of  
257 security clearance that we have represented here?

258 MS. NAUGHTON: Well, we have code word. I don't  
259 know what yours is, and I don't know what the reporter's is.  
260 If--if we could get--what we will do, all of our depositions  
261 are taken in executive session and they are confidential.

262 We do not release them, and without getting them  
263 unclassified by the White House and then redact certain  
264 portions, but I am really looking for sort of a general  
265 response.

266 THE WITNESS: Well, I can't respond without  
267 informing you as to how the President receives his  
268 intelligence. Now, this may have been testified to by  
269 someone else. I don't know. I haven't followed the  
270 proceedings.

271 MR. MINTZ: Why don't we take an adjournment and go  
272 and discuss this, and then we will come back in a couple of

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273 . . . . .

274 . . . . . MS. NAUGHTON: All right.

275 . . . . . [Discussion off the record.]

276 . . . . . MS. NAUGHTON: Okay.

277 . . . . . BY MS. NAUGHTON:

278 . Q I guess I was asking you about how it would be that  
 279 a finding would by-pass you?

280 . A Each morning, the President receives a folder  
 281 containing intelligence material from the National Security  
 282 Adviser or at the time that the National Security Adviser  
 283 comes in for the President's daily briefing at 9:30. There  
 284 could be documents placed in that folder that only the  
 285 President would see and returned to the National Security  
 286 Adviser without going through the normal White House paper  
 287 process. That has happened seldom, but it has happened.

288 . It did happen during the period when I was Chief of  
 289 Staff.

290 . Q At the security briefings every morning, were you  
 291 always present or sometimes present or--

292 . A Most of the time, I was present; if I were in town,  
 293 that was usually. If the President was there, I was

and  
 there

294 . . . . .

295 . Q Okay.

296 . Was there every a time--

297 . A Let me just say that to give you a frame of

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298 reference, maybe once or twice a month, I would not be

299 present.

300 Q Okay. Would you in that case send a deputy or  
301 someone in your stead?

302 A No.

303 Q Okay. So there may have been occasions where  
304 Admiral Poindexter would have met with the President alone.

305 A Admiral Poindexter, and Mr. McFarlane, prior to  
306 Admiral Poindexter, had authority at any time to see the  
307 President alone, and occasionally they exercised that  
308 authority and privilege.

309 Q Okay.

310 A So it wasn't just <sup>at the</sup> ~~it was~~ briefing, although I will  
311 also tell you that when he was in town, the Vice President  
312 also attended these briefings, so there could have been a  
313 time when I was not present but the Vice President was  
314 present. I don't want to confuse the issue, but I just want  
315 to clarify it.

316 Q Okay.

317 Do you know whether or not the Vice President took  
318 *notes* ~~when~~ in attendance?

319 *notes* ~~when~~ This in retrospect galls me. I thought there were  
320 always a note taker at those meetings, because usually the  
321 National Security Advisor brought a deputy with him. *In*  
322 McFarlane's case, it was Poindexter; then later it was

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323 - Pontier, than later on Rodney McDaniel. They always had pad  
 324 and pencil, and I assumed they were taking notes.

325 I have since been told that they were not note  
 326 takers of the proceedings. They were merely there to jot  
 327 down items that the President requested or to make a note of  
 328 a Presidential opinion of something or a subject.

329 Q Who told you that?

330 A I don't know, but someone on my staff, because I  
 331 asked during the period in preparation for my own testimony  
 332 to the Tower Commission, are there notes of the meetings  
 333 with the President, and the word came back to me, no, no  
 334 notes were taken by those people."

335 Now, in answer to your specific question, the Vice  
 336 President did not take notes, nor did the President, nor did  
 337 I.

338 Q Okay. As to the Iran initiative, and I am speaking  
 339 on the time frame from August of 1985 up to, let's say,  
 340 January 17, when the final finding was signed, were these  
 341 discussions with the President normally in the course of

342 these morning briefings, or were they special meetings that  
 343 were called, or was it in a more haphazard--

344 A Tha--most of the discussions with the President about  
 345 the hostages took place at the morning meetings. The  
 346 subject of the opening to Iran and relations with Iran was a  
 347 subject of a group meeting of some nature toward the end of

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348 July, first part of August of 1985, and again, another  
349 meeting in December of 1985--first week in December of 1985,  
350 and then a meeting on January 7 of 1986.

351 . Those are the only meetings I can recall  
352 specifically on that topic.

353 . Q Um-hum.

354 . Now, getting to the December 7, 1985 meeting, this  
355 was with Secretary Weinberger, Secretary Shultz?

356 . A This ~~is~~ <sup>was with</sup> a host of people in the residence. The  
357 reason it was held in the residence was it was a subject  
358 that we wished to discuss with the President upon his return  
359 from the ranch after Thanksgiving in 1985, but did not want  
360 to appear on his schedule because of the sensitivity of the  
361 topic.

362 . Q Um-hum.

363 . A It was therefore held on the Saturday morning in the  
364 residence.

365 . Q And at that meeting, do you recall the Hawk shipment  
366 being discussed?

367 . A There was probably reference to it, yes.

368 . Q Do you recall in what context?

369 . A In reviewing what had happened and whether or not  
370 our policy was a successful one or a failed one that was  
371 used as an example of a mix-up that indicated that the  
372 mechanics of carrying out this policy was too cumbersome

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375 And--well, I recall that some people said that was an example  
 376 of why we should stop the policy, cut it off, forget it, and  
 377 others saying that there could be a better way or should be  
 378 a better way, and, if not, it should be cut off.

379 Q Was there discussion of a finding having been  
 380 written?

381 A I recall, and this is very imprecise in my mind.  
 382 Mr. McMahon, who was there in place of Director Casey who I  
 383 believe was traveling abroad, brought up the subject that we  
 384 would certainly need a finding to support any sales of  
 385 arms --of our arms by Israel.

386 Q All right. Was he talking prospectively or  
 387 retrospectively?

388 A I gathered that he thought that if we were going to  
 389 go forward with this, if we weren't going to stop then and  
 390 there--and I believe he was inclined to feel that we should  
 391 stop, although he wasn't commenting that much on policy,  
 392 that we would have to have a finding if we were going to go  
 393 forward.

394 Q Didn't anyone say at that point, but we already have  
 395 a finding or one was already drafted?

396 A No. I don't recall that being said.

397 Q Um-hum. When is it that you first saw the November  
 398 '85 finding?

399 A I never saw it until--I don't know; a couple of

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398 months ago or whenever it surfaced.

399 . Q Okay.

400 . A I certainly didn't see it before I testified at the  
401 Carter Commission.

402 . Q Could you tell me in terms of the regular procedures  
403 on the findings, would they all be sent to the Department of  
404 Justice for review for legal sufficiency?

405 . A That would be normal.

406 . Q Was there ever a time when that did not occur?

407 . A Not that I know of.

408 . Q Okay.

409 . Now, were there subsequent meetings to the December  
410 7 meeting in December of 1985 to discuss this topic?

411 . A Mr. McFarlane, having been sent as an aftermath of  
412 that meeting to London, returned and briefed the President  
413 on his mission, so there was a meeting at that time about  
414 the subject.

415 . Q Okay, and what do you recall Mr. McFarlane telling  
416 the President?

417 . A That it was a shady bunch of characters they were  
418 dealing with, and he didn't think that there was much hope  
419 of furthering contacts with Iran through that channel, and I  
420 am not certain that he said this in absolute terms, but I  
421 gathered that he was discouraged and thought that it should  
422 be aborted.

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423 . . . that, of course, coincided with the advice that  
 424 Shultz, Weinberger and I had given to the President on  
 425 December 7, to the effect we thought it should be aborted.  
 426 . . . 2 And what was Director Casey's position?  
 427 . . . 1 I don't recall Director Casey being at the McFarlane  
 428 briefing, and he wasn't there, of course, on December 7.  
 429 . . . 2 Do you know what his position was during December of  
 430 1985?  
 431 . . . 1 No, I wouldn't want to characterize that.  
 432 . . . 2 Now, it sounds as though in December of 1985  
 433 basically minds were pretty much similar that this was not a  
 434 good idea or wouldn't be carried out very well. What  
 435 happened to change that?  
 436 . . . 1 I don't know. I am learning more as a result of  
 437 this hearing, but at that time, I certainly didn't know. I  
 438 do recall that shortly after the President returned to  
 439 Washington after New Year's and a visit--~~State visit to~~  
 440 ~~Mexico--I won't say State visit, a visit to Mexico and a~~  
 441 meeting the President De la Madrid that John Poindexter, who  
 442 was then the National Security Advisor, raised the issue  
 443 that that was a possibility of a new way of approaching the  
 444 Iranian contact, and ~~that he--~~he indicated that he had this  
 445 knowledge from Israel or Israeli connections, and that he  
 446 thought it worth exploring.  
 447 . . . 2 And was this in early January?

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443 . . A . Early January, 1936.

449 . . Q . Okay.

450 . . Now, prior to January 6, do you know whether or not  
451 the Attorney General was informed of what had been going on  
452 in 1935 or took part in any of the discussion?

453 . . A . He was not at the December 7 meeting. I know he was  
454 not at the meeting when McFarlane reported back on his  
455 London mission, so I don't know what the Attorney General  
456 knew--certainly never in my presence was he told about the  
457 Hawk shipment.

458 . . Q . What was his first involvement that you are aware  
459 of?

460 . . A . Well--involvement in what?

461 . . Q . In the Tranian initiative?

462 . . A . I recall his being at the January 7 meeting where  
463 the situation was discussed and the new initiative advanced.  
464 And I believe he was involved in the preparation of that  
465 finding that later became known as the January 17 finding.

466 . . Q . Were you aware at the January 7 meeting that there  
467 had been a finding of January 6?

468 . . A . Yes.

469 . . Q . Okay. And how did you become aware of that?

470 . . A . That was brought up with the President either on  
471 January 6 or January 7--I am not certain which--at the 9:30  
472 briefing, and gone over with the President by Admiral

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473 Poindexter.

474 . Q Was anyone else present?

475 . A Vice President--I place him there, and I believe it  
476 must have been Don Fortier at that point, <sup>as</sup> ~~because~~--deputy.477 . Q And was this finding simply discussed with the  
478 President or was he asked to sign it?479 . A Well, that is curious. I have been told that that  
480 January 6 has been signed. I have never seen the signed  
481 document. I have seen what has purported to me to be  
482 January 6. Other attorneys questioning me have shown me a  
483 document, and yet, I have not seen the President's signature  
484 on the January 6.

485 . Is there a signature on the January 6 document?

486 . Q I would have to go back and look.

487 . A I honestly don't know. It has never been shown.

488 You will recall, counsel, that yesterday we were shown a  
489 document by attorneys on this, and I looked closely at that  
490 and didn't see the President's signature. I saw the  
491 President's signature on January 17, but not on January 6,  
492 although it has been told to me time and again that January  
493 6 one was signed.494 . Q Okay. As you know, the major difference between the  
495 findings "and third parties" is added, in other words, to  
496 make a what is called a commercial cutout into the venture.

497 Do you recall how that was explained to the President, that

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508 change?

509 . A No, I don't. The January 6 one was gone over in  
500 detail as preparation or prelude to the January 7 meeting.  
501 And the President was certainly familiar with the document  
502 during the discussions on January 7, and what they proposed  
503 to do.

504 . On January 17, 10 days later, a lot of water under  
505 the bridge, Admiral Poindexter brought up, I believe at the  
506 close or just at the start, one or the other of the  
507 meetings, because I recall us standing rather than sitting  
508 when he briefed the President on what was in the document.

509 . I don't think he circulated it; that is, gave copies  
510 to either the Vice President or myself, and verbally told  
511 the President this is the finding that we discussed at the  
512 January 7 meeting. I have cleaned it up. There are a few  
513 changes, yackity yack. I don't recall him saying what the  
514 changes were.

515 . Q Okay.

516 . Was, then, the subject of using a commercial cutout  
517 discussed with the President?

518 . A Commercial cutout was never discussed. I don't  
519 recall the words "commercial cutout" ever being discussed.

520 I would have picked up my ears at commercial cutout, but at  
521 that time, I don't recall there ever being a commercial  
522 cutout being used.

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523 Q - Was there any discussion of Mr. Secord and his  
524 involvement?

525 A Never in my presence. I never heard the name until  
526 after this--after November 25.

527 Q Okay. Now, on or about January 6, prior to the  
528 meeting, was there any direction to Admiral Poindexter to  
529 have the Attorney General check out the January 6 finding?

530 A No.

531 Q Okay.

532 MR. MINIZ: That is as to your own knowledge.

533 THE WITNESS: As to my knowledge, yes, and I hasten  
534 to add the Attorney General, I believe, was at the January 7  
535 meeting where it was discussed.

536 BY MS. NAUGHTON:

537 Q Well, we have heard testimony in the hearings that  
538 Oliver North brought out the finding to the Attorney General  
539 on the 6th of January.

540 A I have no knowledge of that.

541 Q Okay. I guess I have to ask this question:

542 Was Oliver North present at any of the meetings you  
543 have described?

544 A No.

545 Q Okay. If you can, give us a background--there have  
546 been many allegations regarding his access to the President.

547 Do you know whether or not now, after the fact, he ever

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548 What alone with the President?

549 . A To my knowledge, Oliver North never met alone with  
550 the President of the United States during the time that I  
551 was Chief of Staff.

552 . Q Do you recall a time when he was ever meeting with  
553 the President without either Mr. McFarlane or Admiral  
554 Poindexter present in the years 1985 and 1986?

555 . A That could have happened. I asked for <sup>and</sup> received a  
556 list of the times that Oliver North was with the President  
557 of the United States according to the records kept of  
558 Presidential meetings. That list was furnished to me on  
559 November 28. And copies have been furnished to you ~~one~~  
560 plural. ~~There~~ There could have been a time, for example, in  
561 which Oliver North was present with people who were  
562 supporters of the contras and the President of the United  
563 States go into that meeting for what we called a drop-by,  
564 making a few statements and talk to the people.

565 . North could have been present there, but McFarlane  
566 or Poindexter, depending upon what year, would not  
567 necessarily be there or have to be there, so in answer to  
568 your question, that is possible, but it would never be at a  
569 point in time where North would be alone with the President.

570 . Q During these meetings with the people you have  
571 described, were you present?

572 . A I normally accompany the President--we would go into

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573 the room and leave when he left.

574 . 2 And what was the President told about why these  
575 people were visiting the Oval Office?

576 . A I don't recall the specifics of it, but in general,  
577 it was to thank them for either what they had done or were  
578 about to do. I recall one specifically which was that they  
579 were paying for ads that would be put on TV or in newspapers  
580 urging citizens to write to the Congress to support the  
581 contra financing.

582 . 2 Do you know who told him this?

583 . A What was in the briefing papers that were prepared  
584 for the event. That would have come from--probably through  
585 the public liaison group, which--of the White House  
586 staff--would have prepared those papers.

587 . 2 So, this would have been the outreach group?

588 . A Yes.

589 . 2 That Ambassador Whitblasey would have--

590 . A Although She was not there at the time, it was Linda  
591 Chavez under Pat Buchanan.

592 . 2 Was the President ever told, to your knowledge, that  
593 these people were donating money for, among other things,  
594 lethal weapons to be sent to the contras?

595 . A I recall Dave Fischer telling the President about a  
596 woman who, on her own, had purchased a helicopter for the  
597 contras, but I believe it was a Med-Evac helicopter, not a

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598 gunship.

599 . Q Do you recall any other--or any instances where the  
600 President was told that these people he was meeting with  
601 were providing lethal aid to the contras?

602 . A No, I don't believe the President was ever told  
603 that. I believe it was asserted that these people were  
604 contributing in general to the contras, with no specifics on  
605 what they were doing except for the newspaper ads.

606 . Q Okay.

607 . Were you present when the President met with Ellen  
608 Garwood?

609 . A I don't recall that. I think that was what was  
610 termed a photo<sup>op or opportunity</sup> op. That is, these people came in, had  
611 their picture taken with the President and had a few words  
612 of conversation with the President.

613 . These normally happen at the end of the day, and I  
614 was not present. I never attended those.

615 . Q Who would have in the normal course?

616 . A Well, the President's personal aide, Jim <sup>Kuhn</sup> ~~Boon~~, was  
617 also present during those photo ops, and whoever the action  
618 officer was from public liaison or whatever particular  
619 sector of the staff had proposed that the person be brought  
620 in, or persons.

621 . Q Okay. Did the President ever discuss Mrs. Garwood  
622 in your presence?

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623 . A I don't recall that.

624 . Q Okay.

625 . If we can get back now to the Tran initiative. In

626 March of '86 or so, you made an inquiry, I believe, which

627 eventually got to the Customs Service regarding a criminal

628 case they had about a man who supposedly supplied 10

629 helicopters to Iran, named Golitschek, and I will spell this

630 G-o-l-i-t-s-c-h-e-k. Was a case out of the Western District

631 of New York, and Van Rabb ended up writing a memo to you

632 regarding the status as criminal.

633 . A I have completely forgotten that. That is entirely

634 new. Do you have the document? Can you furnish it to me?

635 . Q We can furnish it to you at a later date. I don't

636 know that we have it. We have a reference to it in our--

637 . A I am sorry, I have no memory of that.

638 . Q Okay, you don't recall making an inquiry of the

639 Customs Service on that issue?

640 . A No.

641 . Q Okay.

642 . A I made it you say?

643 . Q Yes.

644 . A Okay.

645 . MR. MENIZ: Counsel, was that memorandum from Van

646 Rabb to Mr. Regan?

647 . MS. HAUGHTON: That is my information, it was March

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648 31, 1986, and this is a defendant who was convicted and is  
649 serving a three-and-a-half-year sentence. It just showed up  
650 in our computer print-out, and I was just curious.

651 THE WITNESS: I, too, now.

652 BY MS. NAUGHTON:

653 Q Okay. If we can move along, then, to the summer of  
654 1986 regarding the Iran initiative. Did there come a point  
655 in which you were aware that Director Webster of the FBI  
656 became aware of the Iranian initiative?

657 A No.

658 Q Then, if we can go to early November when the thing  
659 started to become public.

660 A Um-hum.

661 Q Do you recall what your first knowledge was?

662 A Newspaper account of the--I believe it was the  
663 morning of--either November 3rd or 4th. It was right after  
664 the election or simultaneous with the election--I am not sure  
665 ~~when~~ <sup>day</sup> ~~that~~ the election ~~date~~ was--spotting a small piece in the  
666 paper about the fact that there was a report from an obscure  
667 newspaper in Lebanon that McFarlane had gone to Iran.

668 Q Okay.

669 Was there a meeting held after that--that disclosure?

670 A No, not until it gained wider circulation the next  
671 day. It was picked up by our own press in more detail.

672 Q Okay.

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673 Q And I believe you will find that in my notes of the  
 674 staff meeting of November 4th--perhaps November 5th--in which  
 675 I raised the issue, ~~and~~ <sup>also</sup> Larry Speakes raised the issue of  
 676 what is this story. ~~and being~~ <sup>He was</sup> answered by John Poindexter ~~to~~  
 677 ~~later~~ to the effect, brush that story off; there is nothing  
 678 to that.

679 Q Okay. Obviously, Mr. Speakes was not aware of the  
 680 Iranian initiative.

681 A That is correct.

682 Q After he left that meeting, did you have a  
 683 discussion with Admiral Poindexter about that?

684 A I don't know whether it happened at the 9:30 meeting  
 685 with the President or when, but I do recall talking to  
 686 Poindexter about it, who cautiously said, "Hey, we have got  
 687 to play down that story, because the lives of the other  
 688 hostages can be in danger." We are at a point here where  
 689 you will recall on November 2nd David Jacobsen had been  
 690 released.

691 Q David Jacobsen arrived in Germany on November 4th,  
 692 David Jacobsen came to the White House on November 7, and  
 693 you will recall his adding his voice to the plea, for God's  
 694 sake, don't talk about this--very dramatic. That is what  
 695 Poindexter had been telling all of us who ~~new~~ <sup>knew</sup> of McFarlane's  
 696 trip. "Don't talk about it, because this will endanger the  
 697 other hostages, and we still have a chance of getting them

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608 out. "

609 . Q Was that chance imminent?

700 . A We were led to believe that, yes, because Jacobson  
 701 had come out was a matter of fact, when Jacobson came out, I  
 702 believe we thought there were going to be others with him,  
 703 and we were disappointed that he came by himself, and we  
 704 were still negotiating for the others.

705 . Q If I can back up for a minute on that question of  
 706 imminence. Others have testified that when discussing this  
 707 in January of 1986, you believed that it would just be a 30  
 708 or 60 day operation and that was one of the reasons Congress  
 709 wasn't informed of it.

710 . Do you recall that? Is there a sense that this was  
 711 going to be a short-term thing?

712 . A I didn't have any terminal date in mind, no. The  
 713 only thing I recall about Congress being told was--and I am  
 714 not sure whether, at which meeting it came up, but I was  
 715 made aware of the William Smith decision being told to <sup>me</sup> him  
 716 and to the President, that covered a situation like this <sup>when</sup> ~~but~~  
 717 ~~were~~ <sup>were</sup> lives in danger, we didn't have to notify the Congress  
 718 until such time as the--operation was complete.

719 . Q Do you recall who expressed this opinion, who told  
 720 you that?

721 . A All I recall is it being generally said. I picture  
 722 in my mind Director Casey saying that. I am not certain

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723 about the Attorney General saying that, and I picture the  
 724 National Security Adviser saying it at that point,  
 725 Poindexter.

726 . Q Have you <sup>seen</sup> ~~see~~ the Smith opinion since?

727 . A No.

728 . Q Have you ever seen the Smith opinion?

729 . A No, I am not a lawyer, and very frankly, with all  
 730 due respect to you as lawyers and my own counsel, I tune out  
 731 when we get into the legalities and the niceties of the law.

732 . Q Okay.

733 . So, you were basically relying on the Attorney  
 734 General and Mr. Casper's input on that score?

735 . A On the legal opinion, that somebody in NSC has done  
 736 the legal work or <sup>they</sup> wouldn't be so advising the President?

737 . Q Okay, certainly Congress has been notified on other  
 738 covert actions that certainly involved lives. Do you recall  
 739 what it was that made this different?

740 . A The fact that our channel--this is the way it was  
 741 told to me and my impressions then. I have a different  
 742 impression now, but I will try to go back and give you my  
 743 impression then, not now.

744 . At that point, we were told that our contacts in  
 745 Iran were such that if this became public knowledge that  
 746 their lives would be in danger, and that they were doing  
 747 something that might provoke the wrath of their government

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748 if found out that they were dealing with us and with Israel.

749 And accordingly, we had to be super-cautious on this to  
 750 prevent the loss of American lives, i.e. hostages, and the  
 751 loss of life of our contacts and, of course, shutting <sup>off</sup> ~~the~~  
 752 that channel.

753 . Q You said that you have a different impression now.  
 754 What is your impression now?

755 . A Well, now I know the cast of characters, having read  
 756 and listened to testimony, <sup>about a</sup> ~~and~~ pretty sleazy group.  
 757 Personally, I wouldn't care what the hell happened to them,  
 758 but that is my personal opinion at this point.

759 . Q If we can go back then to November. Once this thing  
 760 began to unravel--

761 . A But, on the other hand, I hasten to add, I don't  
 762 think in covert operations and in dealings with this nature,  
 763 you deal only with Boy Scout leaders

764 . Q Certainly. As Oliver North said, if Mother Theresa  
 765 could have been sent to negotiate--

766 . A Exactly. I am not sure she would have been sent by  
 767 the Ayatollah.

768 . Q Getting back to November, then. Do you recall who  
 769 participated--

770 . A November of what?

771 . Q '68.

772 . A Okay.

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773 . Q Once the public statements came out.

774 . A All right. These things happen in November.

775 . Q Yes, that seems to be the key month. Do you recall

776 who participated in preparing the President's statement

777 during this time period now from November 7, let's say,

778 until the--through the 9th?

779 . A The President made a statement on TV addressed to

780 the Nation on November 13. Starting November 10,

781 speechwriters worked with members of the NSC staff to

782 prepare the basic draft of that TV address. It then passed

783 through many hands, maybe as many as 15 in the White House

784 complex, for comment and possible editing, until the final

785 product was ready on the 13th for the President.

786 . Q I don't know whether or not you watched Mr. Cooper's

787 testimony, but Mr. Cooper from the Department of Justice--

788 . A Just occasionally.

789 . Q He testified that he met with Commander Thompson and

790 Admiral Poindexter in an attempt to try to get some of the

791 facts and put it in a legal context. Were you aware that

792 this activity was going on by the Department of Justice?

793 . A No, not by the Department of Justice, but I can tell

794 you, starting on or around November 5th or 6th, I was asking

795 the President of the United States and Admiral Poindexter to

796 make all of the facts public, get it out, get it on the

797 record now, tell everything that we know, that the cover is

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798 began, why not talk, and it being argued successfully by  
799 Poindexter that, no, there is still a chance that we can get  
800 the hostages out, and the President electing to go with that  
801 and to remain silent.

802 . This thing was building up a head of steam from the  
803 6th. The 10--finally, on the 9th--well, I have a memo which  
804 you have a copy of in your files, <sup>from</sup> and Pat Buchanan <sup>to me</sup>  
805 saying this is a disaster and unless we made complete  
806 disclosure, we were going to be jeopardizing this  
807 Presidency, and my scrawling across the bottom of it, the  
808 memo, in disgust:

809 . "I have been trying to do this for a week without  
810 success. If we can only get the facts out"--well, let me  
811 see what else I said. I went on to say that, "I think I am  
812 finally meeting with success, and I told him that I would  
813 call him more tomorrow morning," that being the 10th,  
814 because at that point in time, I finally had gotten the  
815 President to agree to the TV speech and get Poindexter's  
816 acquiescence to it, so I knew--I wanted someone to get the  
817 facts out, but who was gathering facts or if there was an  
818 independent group trying to gather facts, I didn't know  
819 about it.

820 . Q Okay. You said you had been trying for a week to  
821 get the facts?

822 . A Right.

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823 Q What was stopping you from getting the facts?

824 A No, not getting the facts, getting it out to the

825 public, when we knew and when we know it; and did McFarlane

826 go? Yes, McFarlane did go. Yes, admit it, bring it all

827 out--but being told hush, you are endangering lives. You are

828 going to blow the whole thing if you do that.

829 It is premature. We can't do that yet.

830 Q Anyone other than Admiral Poindexter advocating

831 that, not becoming public.

832 A I want to say Director Casey, but--I am not

833 absolutely certain of that, but I believe so.

834 Q And he for the same reasons?

835 A Yes.

836 Q Did either one of them ever discuss with you that

837 there was a problem, either legally or in any other way,

838 with the November '85 shipment?

839 A No--at any time? Or then?

840 Q Well, I am not concerned with anything after January

841 1987.

842 A Well, you put a qualifier in <sup>there</sup> ~~their~~ legally. No,

843 they did not discuss with me anything wrong <sup>"</sup>legally." I do

844 recall discussions that the whole shipment was wrong; that

845 is, it was the wrong type of missile, ~~the wrong~~--had the

846 wrong markings on the box for the Iranians, things of that

847 nature. But I don't recall the legalities of that being

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848 brought up.

849 Q Okay. Do you recall when it is you first saw a  
850 chronology?

851 A On the night of November 19, 1986, the President  
852 held a press conference. There was a mixup during the press  
853 conference on whether or not a third country <sup>was</sup> involved and  
854 whether or not I had identified that country, as I recall.

855 A clarifying statement was issued, written by  
856 Poindexter, ~~approved by Poindexter~~, approved by the  
857 President. After that, I returned from the White House to  
858 the West Wing, and in the Roosevelt Room found a group of  
859 staffers, some NSC, some other West Wing types, including  
860 press people--our own press people, not outside press--holding  
861 a discussion of the events.

862 Colonel North was among those present, and he was  
863 telling people of how these things happened and when they  
864 happened. I listened to the discussion for a while, and  
865 then decided to go to my own office ~~to~~ wrap up and get out.

866 As I was going out David Chew, Special Assistant to  
867 the President, accompanied me and said to me, "Did you  
868 recognize what Ollie North had there?" I said no. He  
869 said, "He has got a chronology of what has been going on."  
870 I said I didn't realize that. He said yes. I said, "~~See~~  
871 if you can get a copy of that for me." He said, "He won't  
872 give you a copy, you better get your own."

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873 Q *On the* Following morning, November 20, I asked Admiral  
 874 Poindexter for a copy of whatever chronology they had  
 875 regarding when and how these events had happened.

876 Q When did he actually provide you one?

877 A He assured me he would get me one, said it was  
 878 incomplete, *on* the morning of November 21, he furnished me with  
 879 a copy. I eyeballed it, looked at it quickly and turned it  
 880 over to the President's counsel, Peter Wallison.

881 Later that day, Admiral Poindexter asked for it  
 882 back, saying it was incorrect in some spots and they would  
 883 furnish me with another copy. I told him that Wallison had  
 884 it and I would get it and return it to him. I never did. I  
 885 took it home with me that weekend.

886 Q If I can step back for a minute, because I want to  
 887 get to the chronology. On November 9, when the President  
 888 made that statement about no third-country involvement, was  
 889 that drafted originally by the NSC?

890 A The clarifying statement?

891 Q No, the original statement that no third country was  
 892 involved.

893 A There was no statement by the President. That was  
 894 an answer to a question. It wasn't written. It was his  
 895 oral answer to an oral question.

896 Q All right. And had someone told him that no third  
 897 country--

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893 . . . A . . . Well, that requires a little explanation. There had  
 899 been two briefings of the President, November 18 and November  
 900 19, in preparation for this. In the course of this  
 901 preparation for <sup>a</sup> ~~the~~ press conference, we normally divided it  
 902 into two sections, ~~an~~ international or foreign, and ~~a~~  
 903 domestic issues.

904 . . . <sup>In</sup> the foreign or international side, the briefings  
 905 were conducted by the NSC Adviser and members of this staff,  
 906 as well as those in the press <sup>staff</sup> ~~section~~ who are most connected  
 907 with the international side.

908 . . . On November 18, it was apparent that the President  
 909 did not have the facts straight in his own mind, the  
 910 sequence of events, who had said what, what had happened,  
 911 that type of thing, and I told Poindexter that we were going  
 912 to have to get the facts straight in the President's mind,  
 913 that he was confused, and the more they tried to coach him  
 914 and to prep him, the more confusing it got, because they  
 915 were confusing themselves with ~~their~~ <sup>the</sup> answers.

916 . . . I couldn't lay my finger on what was going on, but  
 917 there was something amiss, and I recognized it. I did not  
 918 participate in the November 19 foreign portion of the  
 919 briefing. I had been in New York, returned to get in on the  
 920 domestic briefing, not the foreign, <sup>and</sup> asked Poindexter, "Is  
 921 the President now set in his own mind as to the sequence?"  
 922 And he said, "Yes, I think so."

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923 . . . What had happened was he was being cautioned not to  
 924 mention Israel. And what we should try to finesse any  
 925 mention of Israel, and, poor guy, he got, as could be  
 926 expected--having had all this to-ing and fro-ing as far as  
 927 what he should say and how he should and should not say it.  
 928 he got mixed up in his answer, and there were a group of us  
 929 in the Blue Room right down the hall from <sup>the</sup> East Room,  
 930 watching the President's performance on TV.  
 931 and ~~we~~ <sup>he</sup> all caught ~~that~~ <sup>the</sup> error at the <sup>same</sup> time.

932 Poindexter, who was sitting there next to me, immediately  
 933 took out his pad and started to write an answer. By the  
 934 time the Presidential news conference had finished and we  
 935 had done a few minutes of post mortem, Poindexter had <sup>a</sup> ~~the~~  
 936 clarifying statement ready, which he showed to Spokes and  
 937 then ~~passed it~~ to the President.

938 . . . He signed off on it and it was released.

939 . Q Do you know whether or not the Attorney General  
 940 expressed the same sentiments about that statement in his  
 941 answer?

942 . A Well, I know there were many people upset at it.  
 943 The Attorney General, the Secretary of State. There were  
 944 many upset, and the First Lady--as to the President's  
 945 performance at his news conference that night.

946 . Q There was also something in a written draft of this  
 947 speech regarding the fact that any connection between the

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948 Danish freighter and the U.S. Government was not correct.  
949 There had been reports that there was some connection.  
950 . A Newspaper reports, and we have been assured by the  
951 National Security Adviser that those were completely  
952 erroneous, and I know one of the drafts had it in that the  
953 President was going to mock that, saying all these wild  
954 stories in the press about this, that and the other thing  
955 including Danish shipping, and so forth.  
956 . Q So that assurance that that was erroneous came from  
957 Admiral Poindexter.  
958 . A Yes.  
959 . Q Now, if we can get to the November 20th, in the  
960 evening, it is reported that Secretary Shultz visited the  
961 residence because he was upset with apparently the way  
962 things were going?  
963 . A Yes.  
964 . Q Were you present at that meeting?  
965 . A I would have to check my files. Could I go outside  
966 and check my records?  
967 . Q Certainly.  
968 . A Excuse me.  
969 . [Recess.]  
970 . BY MS. NAUGHTON:  
971 . Q The meeting with the President and Secretary Shultz  
972 in the evening of November 20th. Were you present?

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973 . - A I don't place Admiral Poindexter there. He could  
974 well have been there, but I am just vague on it.

975 . Q Okay. You were there, though?

976 . A Yes.

977 . Q All right, could you tell us what Secretary Shultz  
978 told the President?

979 . A Not in detail, and I have been searching for notes,  
980 and I don't have them, but he had five points--five  
981 discrepancies in the President's answers to the press  
982 conference that he felt had been put into the President's  
983 mind erroneously by his briefers, and he thought it was high  
984 time that the President got it straight as to what had  
985 happened and that he make that available to the public.

986 . Q Do you recall what those five points were?

987 . A No, unfortunately I don't. And I have--I have looked  
988 for some notes to this effect, but I don't know that  
989 anyone--I certainly didn't take notes at that meeting, and I  
990 would have to refer you to Secretary Shultz as to what these  
991 were.

992 . Q Okay.

993 . The point I am interested in, and whether or not he  
994 brought out, was the November Hawk shipment. Did he mention  
995 that there was a problem--

996 . A He could well have brought that up, but I do recall  
997 his saying that Abe Sofaer was worried as to what Casey was

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998 going to say the following day in testimony to the House  
999 Intelligence Committee, and that there were discrepancies  
1000 between what he, Shultz, understood to be the facts and what  
1001 Casey might testify to.

1002 Q Did Secretary Shultz mention that Assistant  
1003 Secretary Armacost--or Under Secretary Armacost would be  
1004 testifying with Casey?

1005 A Yes.

1006 Q And did he say that Armacost would have to--

1007 A That is right, he did say that there would be a  
1008 public disagreement.

1009 Q Okay.

1010 A I believe at that point in time, I knew that the  
1011 Attorney General was trying to act as a coordinator of this  
1012 testimony in order to get it straight. I certainly know  
1013 that on Thursday, he was working with that area.

1014 Q Do you know how that came about?

1015 A No, I don't.

1016 Q Okay.

1017 Did--

1018 A I do know that Shultz told me and also told the  
1019 President that he had made his views known to Ed Meese?

1020 Q Did Secretary Shultz indicate what it was about, the  
1021 discrepancy that Abe Sofaer was concerned about. In other  
1022 words, specifically the discrepancies over the Hawk shipment

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1023 and who in the government knew about it in November of 1985.  
1024 . A That was just one of the things that he was  
1025 concerned about. There were other things as to the role  
1026 that Israel played and the whole episode was another one  
1027 that was worrying him.  
1028 . Q Okay. Did Secretary Shultz say when he made this  
1029 known to Attorney General Meese?  
1030 . A My indications were that that would have been on the  
1031 20th also, but he had--told the Attorney General of possible  
1032 discrepancies between Armacost and Casey in testimony.  
1033 . Q We have heard testimony that in the session to  
1034 review Casey's testimony that afternoon on the 20th with  
1035 Admiral Poindexter, Mr. Casey, the Attorney General and so  
1036 forth, that Oliver North had inserted language saying no one  
1037 in the U.S. Government found out that there were Hawks on  
1038 the November '85 shipment until January of '86.  
1039 . Were you aware that this change was taking place?  
1040 . A No.  
1041 . Q Did you have anything to do with Casey's testimony?  
1042 . A No.  
1043 . Q All right.  
1044 . When you first say the chronology, I believe on the  
1045 21st, did you look at the section which mentioned the  
1046 November '85 shipment?  
1047 . A I eyeballed the entire document. It was several

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1048 pages long. And I found that--as I recall my words to Peter  
1049 Wallison, "Take a close look at this. This thing flows too  
1050 smoothly. It wouldn't have happened this way. Check it and  
1051 find out, you know, what is going on."

1052 . Q When you finally took it home that weekend to read  
1053 it, did you notice that the section that discussed the  
1054 November '85 shipment as oil drilling equipment?

1055 . A I believe so, and I recognized that as being wrong,  
1056 that that was the cover story that was going to be used in  
1057 case it was discovered prior to its being effected; that is,  
1058 the whole plan being carried out, that it was oil drilling  
1059 equipment, but certainly I knew that the President and  
1060 Shultz and I ~~and~~ and McFarlane, for four of us, knew that it  
1061 was Hawks and therefore, others had to know it was Hawks.

1062 . Q Well, were these chronologies then prepared simply  
1063 for internal use at the White House and MSC, or were these  
1064 to be the case of public--

1065 . A I had been urging right from the start, get all the  
1066 facts together, get them straight and get it out. Well,  
1067 certainly, one of the things that--on November 8, I again  
1068 told Poindexter, "You have got to get these facts straight,  
1069 so that the President can memorize them and get them in his  
1070 mind, and unless you put it down, you know, we are not going  
1071 to be able to get all the facts together."

1072 . I didn't use the word "chronology" as such, but

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1073 get the facts on a piece of paper where we can review them,  
1074 and I was still urging that on the 20th and 21st, get these  
1075 facts together.

1076 . Q So, when you finally sat down to read this that  
1077 weekend, it was obvious that at least the November '85 part  
1078 was incorrect and that it was the cover story and not what  
1079 actually occurred.

1080 . A Right.

1081 . Q Did you take any steps then to modify that section?

1082 . A No, because by that time, another meeting had  
1083 transpired on the morning of November 21st. The Attorney  
1084 General came to see me to say that he was having a lot of  
1085 trouble getting the facts in one place, and he thought that  
1086 a full investigation should be made.

1087 . I urged him to tell this to the President, and we  
1088 went to see the President.

1089 . Q Okay. Did the Attorney General say that he was the  
1090 one who should do it, or did he suggest someone else?

1091 . A Well, he said that he would like to do it, that he  
1092 thought there was a need to look into the whole thing and  
1093 try to get all of these facts reconciled, because people  
1094 were differing, and there was certainly some things that  
1095 didn't hang together.

1096 . Q Did he mention which things?

1097 . A No. This was a rather short meeting.

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1098 . . Q . Okay.

1099 . A The President agreed that we should get all of the  
1100 facts together, that the Attorney General should  
1101 investigate. I urged that it be done quickly, because we  
1102 previously scheduled a meeting for Monday at 2:00 to review  
1103 the entire Iranian policy, in view of the fact that the  
1104 cover had now blown and that we would have to review our  
1105 initiatives to see whether we wanted to continue, cut them  
1106 off, go another route, what to do, and I said that we all  
1107 ought to have all of the facts in hand, shouldn't have these  
1108 differences between State, CIA, NSC as to what had happened.

1109 . Get everything straight by 2:00, the Attorney  
1110 General to provide that, and then we will use that as the  
1111 base for, okay, that is what has happened, and then we go on  
1112 from there, and the President agreed and said that, yes, by  
1113 that meeting he would like to have all of the facts in hand.  
1114 . Q I guess what we are curious about, Mr. Regan, is why  
1115 wasn't that done through the White House? In other words,  
1116 why at that point didn't you or Mr. Wallison or someone sit  
1117 everybody down and get the facts?

1118 . A Well, first of all, I am not a lawyer, I am not a  
1119 trained investigator. I was a participant in this. For me  
1120 to drop everything else--there were other things going on,  
1121 believe it or not, in the middle of all of this--I think it  
1122 was Friday afternoon--I had a budget meeting.

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1123 . . . Remember that we had--had to have our budget to the  
1124 Congress on January 5th. That was then November 21st. Time  
1125 was getting away from us, and we still had some decision to  
1126 make and the President was going to go to the ranch right  
1127 about that time, and we should have decisions from him. So,  
1128 a lot of other things were going on.

1129 . . . Second place, the Attorney General is the  
1130 President's chief lawman. This was a legal investigation  
1131 requiring investigators. We didn't have any of those in the  
1132 White House. We would have had to get them from someplace  
1133 else, so it seemed appropriate with the Attorney General  
1134 requesting of the President that he be allowed to do this or  
1135 told to do this, that since he had the resources that he do  
1136 it.

1137 . Q Okay.

1138 . . . Was there any discussion about using the FBI or  
1139 particular investigators to--

1140 . A No, that he would get investigators to do it. Just  
1141 who the investigator would be was a detail that didn't come  
1142 up with the President.

1143 . Q Okay. Was there a discussion then of reviewing  
1144 documents?

1145 . A No, it is an investigation.

1146 . Q Okay. After that meeting--first of all, when the  
1147 Attorney General came, do you know whether or not you were

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1148 the first person he went to, or did he discuss this  
1149 previously?

1150 . A I can't tell you that. I don't know.

1151 . Q All right.

1152 . How was it then that Admiral Poindexter became part  
1153 of this meeting?

1154 . A Admiral Poindexter was in on the meeting with the  
1155 Attorney General, the press and myself.

1156 . Q How was it that he was? In other words, did you--

1157 . A I believe--well, I am not sure whether it was the  
1158 Attorney General or I suggested that when we said let's go  
1159 talk to the President about this, that we--it would be normal  
1160 for one or the other of us to say, let John, or John should  
1161 join us for this since it was to be something involving the  
1162 NSC.

1163 . Q So, in the meeting with the President then, it was  
1164 not discussed that documents would be requested or reviewed?

1165 . A No. As I recall, this was a very short meeting,  
1166 because--if I--I don't recall from memory, but I think the  
1167 President--he was going to go to Camp David and had a lot on  
1168 his schedule. So this was just a quicky meeting, not more  
1169 than 10 or 15 minutes, so there was no detailing into in it.

1170 . Q After you left the President, where did you go?

1171 . A Back to my own office. Mease, as I recall, exited  
1172 the building to go conduct his investigation, wherever, and

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1173 Poindexter went back to his office.

1174 . Q Do you know whether the Attorney General and Admiral

1175 Poindexter met after meeting with the President?

1176 . A I cannot state that.

1177 . Q Okay.

1178 . At any time during that day, did you speak to Oliver

1179 North?

1180 . A In my entire two years as Chief of Staff, and this

1181 is no putdown of Ollie North, I only had one conversation

1182 with Ollie North one on one, and that was a telephone call

1183 on a Saturday morning, when I had inquired in the situation

1184 room what was going on with the Egyptian hijacking, and the

1185 duty officer came back on an hour and a half later; it was

1186 North, to tell me of the situation.

1187 . That is the only time I ever spoke to North when

1188 there wasn't a group of people present. So, in answer to

1189 your specific question, no, I never talked to North then,

1190 nor did I talk to him on any occasion.

1191 . Q Were you present in any meetings with him on Friday,

1192 the 21st of November?

1193 . A Not to my knowledge, no.

1194 . Q Okay. Do you know whether or not the Attorney

1195 General met with Oliver North on--

1196 . A No.

1197 . Q --the 21st? Now, when did you become aware that

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1198 | people from the Department of Justice were going to come to  
1199 | look at documents?  
1200 | . A Never went through my mind. Investigation--if you  
1201 | think about it, long enough, I would figure they would look  
1202 | at documents, so I just assumed that, you know, the Attorney  
1203 | General would do what an investigator does, look at  
1204 | documents, talk to people, interview and so on.  
1205 | . Q Did the Attorney General ask to, you know, interview  
1206 | you at any particular point as to what you knew of the  
1207 | initiative?  
1208 | . A No.  
1209 | . Q Did Admiral Poindexter mention at any time up to or  
1210 | including the 21st that documents had either been altered or  
1211 | shredded at the MSC?  
1212 | . A No.  
1213 | . Q Was there any discussion of--as Colonel North had  
1214 | testified--that they were shredding these sort of documents  
1215 | as a normal course?  
1216 | . A Not only no, but had I known that, I would have put  
1217 | a stop to it. That is one thing that I--has certainly  
1218 | surprised me to find out later, is that this shredding was  
1219 | going on at the time.  
1220 | . Q When did you find that out?  
1221 | . A In public testimony later.  
1222 | . Q There was a story that appeared in the L.A. Times

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1223 the weekend after this, and that would have been around the  
1224 28th of November, that documents had been shredded. Do you  
1225 know who was the source of that article?

1226 . A No, I don't. There were lots of stories at that  
1227 time, stories that I had--somehow or other ordered the  
1228 chronology doctored, that I had ordered a chronology, that I  
1229 was in charge of the chronology. I never had one darn thing  
1230 to do with the chronology, or its preparation, or the  
1231 Attorney General's investigation during that entire time.

1232 . Q Okay.

1233 . Specifically, this was a story by Jack Nelson that  
1234 documents had been shredded at the White House, which has  
1235 obviously proved to be true, or at the MSC, and I was  
1236 wondering if you were aware of who the source of that  
1237 information was?

1238 . A No.

1239 . I never find out any of these stories, where they  
1240 had originated, not just on this episode, but others also.

1241 . Q Now, going back to the 21st, did you have any  
1242 meeting with anyone else regarding this topic?

1243 . A Oh, yes. I told Wallison that the Attorney General  
1244 was going to look into it. And I alerted others on my staff  
1245 to keep their ears open, because I--there is some things  
1246 that, well, it started literally earlier in November, but by  
1247 that time, the 18th, 19th, 20th, 21st--my nostrils were

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1248 really twitching. There was something wrong, and I couldn't  
1249 put my finger on what it was.

1250 . But also, you have to remember in this entire period  
1251 of time, I was under attack, people wanting my job,  
1252 suggesting that I resign and so forth because of what was  
1253 going on, and I just couldn't put my finger on what the heck  
1254 it was, but I knew there was something wrong and was trying  
1255 through other members of my staff to find out, you know, is  
1256 anybody talking, you know, what is happening, but with no  
1257 avail.

1258 . Q Did Mr. Wallison mention to you that he had had a  
1259 meeting on November 20th with Judge Sofaer and the counsel  
1260 to the Department of Defense and so on?

1261 . A Yes.

1262 . Q What did he tell you about that meeting?

1263 . A Again, discrepancies, the same line Shultz was  
1264 telling to the President. There were discrepancies between  
1265 what the President was saying, what Armacost would testify  
1266 to and what Casey might testify to as to what the actual  
1267 facts were in this matter.

1268 . Of course, Wallison was not privy to what had been  
1269 going on in the previous year or year and a half in this  
1270 regard, so therefore, he was at a loss to understand who was  
1271 correct and who wasn't.

1272 . Q Now, did you participate at all in making the

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1273 arrangements to have the documents made available to people  
1274 from the Department of Justice?

1275 . A No.

1276 . Q On the 23rd, which was a weekend, Saturday and  
1277 Sunday, were you at all at the White House?

1278 . A No.

1279 . Q Were you aware of the Attorney General's inquiry  
1280 while it was going on--in other words, did anyone in the U.S.  
1281 Government--

1282 . A No.

1283 . Q --discuss this with you?

1284 . A No. It was reported to me on Monday morning when I  
1285 got in by some of my staff who were in the White House on  
1286 Saturday morning, that there was a lot of scurrying around  
1287 and a lot of to-ing and fro-ing going on in the NSC area.

1288 . And there were various people from the Department of  
1289 Justice in and out of the White House--I don't mean White  
1290 House, I mean the West Wing, over the weekend, and so there  
1291 was a lot going on. They, of course, did not know what I  
1292 knew, that is, that the Attorney General had been told by  
1293 the President to conduct an investigation.

1294 . Q Is there a reason you didn't tell them that?

1295 . A Yeah. When there is an investigation on, you don't  
1296 tell people who might be asked in the investigation to give  
1297 evidence that, you know--that the thing is going on. I felt

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1298 | that was confidential and should remain so, except I did  
1299 | tell Wallison as Counsel to the President.  
1300 | . Q Did he mention to you that he had made arrangements  
1301 | for the documents to be made available, and so forth?  
1302 | . A No.  
1303 | . Q What is then the first substantive meeting or  
1304 | discussion that you had--  
1305 | . A Not that I recall. He might have, but I don't  
1306 | recall that.  
1307 | . Q What is the first substantive meeting then or  
1308 | discussion you had on the 24th regarding this issue?  
1309 | . A Early in the morning--I believe the Attorney General  
1310 | called me sometime right after 9:00 to say that he  
1311 | had--something very important that he wanted to discuss with  
1312 | me and with the President, and I told him to come on over,  
1313 | set a time at around 11:00--was the first opening on the  
1314 | schedule, and that I felt that I would have time to talk to  
1315 | him and then we could go see the President.  
1316 | . So, that was the first that I got some type of a  
1317 | *(warning or lead?)*  
1317 | letter that something was up.  
1318 | . Q Did you discuss whether or not to include Admiral  
1319 | Poindexter in this meeting?  
1320 | . A I asked him if he wanted anybody else. He said no,  
1321 | he thought he should just talk to me and the President.  
1322 | . Q Okay.

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1323 . . . And when the Attorney General arrived, did you meet  
1324 prior to the meeting with the President?

1325 . A Yes.

1326 . Q What did you discuss?

1327 . A Well, at that point, he told me that--I don't want to  
1328 characterize his whole--all of his words, but to the effect  
1329 that he had found some really troublesome evidence that  
1330 there was possibly a diversion of funds from the sales of  
1331 the Iranian weapons--sales of weapons to Iran and monies  
1332 diverted to the contras.

1333 . Q What was your reaction when he told you that?

1334 . A Horror, horror, sheer horror. First, I had never  
1335 heard of it, and at that point in time, he had not gone into  
1336 any details with me, so I assumed that this was U.S.  
1337 Government money.

1338 . Now, I don't want to get into the <sup>matter</sup> ~~money~~ as to whose  
1339 money <sup>it</sup> ~~that~~ is at this point. Later <sup>we</sup> can do that, if you  
1340 wish, but I didn't know there would be a mark-up, and I  
1341 thought this was the actual cash proceeds that should have  
1342 gone to the Treasury <sup>that</sup> ~~was~~ what he was referring to.

1343 . Q Did you ask him who had done this?

1344 . A He said that this was generally under Ollie North.  
1345 I said, well, we had better go tell the President about this  
1346 right away. He said, well, I don't want to say too much to  
1347 the President until I can nail down some other things.

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1348 . . . So, I said, well, let's go talk to the man now. So,  
1349 we went to talk to the President. And he repeated some of  
1350 what he had told me, enough to alert the President that he  
1351 had later that afternoon see him to go over the whole  
1352 episode, that he was terribly sorry that he was going to  
1353 have to unburden this on the President, but it was very  
1354 serious, and he would have to have some time later that day.  
1355 . . . We set as a time right after the NSPG meeting, which  
1356 was scheduled for 2 to 4 in the afternoon that we would meet  
1357 4, 4:15, in through there.  
1358 . Q Okay.  
1359 . . . During this meeting with the President, did anyone,  
1360 any of the three of you, take notes?  
1361 . A No--although the Attorney General had some papers  
1362 with him.  
1363 . Q Um-hum. What were they; do you recall?  
1364 . A I don't know.  
1365 . Q Did he seem to be reading from them or--  
1366 . A Not reading from them, but I just assumed they were  
1367 papers to which he could refer if he had to.  
1368 . Q Did the Attorney General tell you--first, in your  
1369 meeting before you went to see the President that there was  
1370 a memorandum to this effect spelling out the diversion?  
1371 . A No.  
1372 . Q All right. So you weren't aware then that anything

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1373 was in writing?

1374 . A No.

1375 . Q Okay.

1376 . Did he tell that to the President?

1377 . A No.

1378 . Q Okay. Was there any discussion in that 11:00

1379 meeting, or whenever it was, the morning meeting, about what

1380 to do about this revelation?

1381 . A No--because it wasn't revealed to the President what

1382 it was. He didn't know what we were talking about.

1383 . Q So, in other words, you didn't inform the President

1384 of the diversion.

1385 . A Of the diversion--the word diversion, or what the

1386 subject was was not told to the President at the 11:15

1387 meeting.

1388 . Q Okay.

1389 . Was he aware, though, that the general subject

1390 matter was Iranian arms sales?

1391 . A That there was something very wrong with the Iranian

1392 arms sales.

1393 . Q Okay. After the meeting with the President then,

1394 did you and the Attorney General meet?

1395 . A No, I merely urged him, you know, to get on with it

1396 and button up whatever he had to button up. He kept using

1397 the phrase, "I have got a few last-minute things to button

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1398 up before I can give you all the details.''

1399 . Q Did you ever hear him use the phrase, ''We have got

1400 to get our arms around this thing''?

1401 . A Possibly, but I don't remember specifically.

1402 . Q Okay.

1403 . A I do know that he indicated that the buttoning up

1404 had to do with he had to see John Poindexter.

1405 . Q Okay. Anybody else?

1406 . A No.

1407 . Q What did you do then after this meeting with the

1408 President and the Attorney General?

1409 . A Back to my office--I am not sure. I know I had--not

1410 sure it was that day. Wait a minute. I would have to look

1411 up my schedule. Do you want me to look up my schedule?

1412 . Q Yes. If you would, I would appreciate it.

1413 . [Recess.]

1414 . THE WITNESS: On November 24, the reason we had to

1415 cut the meeting with the Attorney General short was, at

1416 11:30, the President had a meeting with Chief Bhutalezi from

1417 South Africa, and he always liked to keep his appointments

1418 with foreign visitors right on schedule.

1419 . So I had attended that meeting. I then returned to

1420 my desk and met with Peter Wallison and told Peter Wallison

1421 something was up, and he better get ready ~~to~~ to go into

1422 action.

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1423 BY MS. NAUGHTON.

1424 Q Did you tell him what was up?

1425 A No, I just said that the Attorney General had said

1426 that he had to button up a few things with John Poindexter

1427 and had some serious revelations to give to the President.

1428 We then had an issues briefing lunch in the Cabinet room for

1429 the President.

1430 No mention of Iran or the Iran affair came up during *the luncheon*

1431 *It was on* that issues briefing *lunch* that ~~was~~ on domestic policies--politics,

1432 things of that nature.

1433 And the rest of the afternoon, I had meetings that

1434 don't concern this, but--strangely enough--if I do have to

1435 testify in public, I may tell about this meeting--concerned *it*

1436 the salaries of all Federal employees, particularly the

1437 salaries of the Congress and whether we should award them

1438 \$145,000, *annually* ~~because~~ the meeting was with Jim Ferguson and Van *Chairman*

1439 Norman, ~~who was~~ his Chief of Staff, *of* the Presidential Pay

1440 Board, ~~and~~ This is where the idea was broached of Cabinet

1441 members getting \$145,000, and so on and so forth, which

1442 later I cut back to ~~99.5~~ *8* and got away with it--in the dead of

1443 night.

1444 But anyway--

1445 Q I don't think you will be asked about that in

1446 public.

1447 A Then at 2:00 in the afternoon, I attended the senior

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1448 advisor's briefing--as billed <sup>on the schedule</sup> ~~base~~. Actually, it was an MSPG  
 1449 meeting in the Situation Room, in which we reviewed the  
 1450 Iranian policy and was given an update, ~~that~~ lasted close to an  
 1451 hour, as I recall, by George Cave of the CIA on ~~what~~ the  
 1452 internal situation in Iran was to the best of their  
 1453 knowledge at that time.

1454 . Q Can I ask a general question? MSPG meetings, why  
 1455 was it that the Iran initiative from the fall of '85 through  
 1456 the fall of '86 was not discussed in MSPG meetings  
 1457 themselves?

1458 . A It was discussed in January of '86, and the policy  
 1459 laid down.

1460 . Q Was that a regular MSPG meeting?

1461 . A Yeah, I believe so.

1462 . And once that policy had been laid down, and the way  
 1463 it would be carried out, was known generally to those who  
 1464 had to know within the intelligence community. CIA knew,  
 1465 NSC knew, State Department knew in general what was going  
 1466 on, although they claimed they didn't know the specifics.

1467 . DOD knew part of it, the portion that would have to  
 1468 do with the actual supplying of TOW missiles from their  
 1469 stocks. So, as in most of these things, as I have come to  
 1470 find out, they compartmentalize information, and at no time  
 1471 do they then get together unless there is something going  
 1472 amiss, ~~then~~ the principals have to go back <sup>to</sup> and decide

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1473 whether or not we ~~should~~ continue the policy.

1474 . Q So, for instance, when the second channel began to  
1475 open in the summer, let's say, of '86, no one went back to  
1476 MSPG to brief them?

1477 . A No. That was brought up by Admiral Poindexter to  
1478 the President with myself and the Vice President there. We  
1479 were told more than asked that there was this new initiative  
1480 and it was going to be explored and ~~that~~ <sup>there was</sup> agreement, okay, go  
1481 ahead ~~and~~ explore it and see how it comes out.

1482 . Q But that was not the discussion at the MSPG meeting  
1483 you are saying?

1484 . A No.

1485 . Q After this MSPG meeting then on the 24th, did you  
1486 and the Attorney General meet with the President?

1487 . A Yes.

1488 . Q Okay.

1489 . A That afternoon, as we were leaving the MSPG meeting,  
1490 I asked Ed Meesa if he wanted to come up right away to see  
1491 the President. He said no, he had to speak to John  
1492 Poindexter first and then would be there.

1493 . I went back, talked to Larry Speakes and some other  
1494 members of my staff about what had happened at the MSPG  
1495 meeting, so Speakes could characterize it for the press, who  
1496 would naturally inquire as to what went on there, and the  
1497 Attorney General poked his head in and said he was ready, so

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1498 we went to the Oval Office to talk to the President.  
1499 . Now, that meeting at the Oval Office did not last  
1500 too long. It was only about 20 minutes, although it was a  
1501 very fateful meeting.  
1502 . Q Okay. Did you or--and the Attorney General discuss  
1503 anything before meeting with the President then that  
1504 afternoon?  
1505 . A No.  
1506 . Q Okay.  
1507 . A Except for a few asides that he said, well, he had  
1508 gotten all of the pieces.  
1509 . Q Okay.  
1510 . Now, at the meeting with the President that  
1511 afternoon, did anybody take notes?  
1512 . A No.  
1513 . Q Could you tell us the best of your recollection what  
1514 the Attorney General said to the President?  
1515 . A Yes. He told the President that he had discovered  
1516 evidence over the weekend of the possible conversion of  
1517 funds from Iran to Israel to a Swiss bank account opened by  
1518 the contra leaders and then drawn on by the contra leaders  
1519 for the use of the contra forces, that there had been mark-  
1520 ups over and above the cost of our government <sup>for</sup> these  
1521 weapons, and these were the funds that were used for  
1522 diversion to the contra bank accounts.

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1523 . . Q And do you recall what the President's reaction was?  
1524 . A Horror again, and--thinking back on it, it is hard  
1525 to--it is like a person was punched in the stomach. I mean,  
1526 the air goes out of him, crestfallen. You know, a slumping  
1527 in the chair sort of thing. A real blow had been delivered  
1528 here that not only was there this possibility, but that  
1529 they--~~the~~ people responsible were primarily Ollie North, for whom  
1530 the President had high regard as a staff person, and the  
1531 Attorney General told the President that Admiral Poindexter  
1532 had some type of inkling of this and should have  
1533 investigated but didn't.

1534 . Q Okay. Did he mention anyone else who knew?  
1535 . A Well, the President wanted to know, well, did any  
1536 Americans get their hands on that money. Was there anything  
1537 of that nature? And the answer was no, the money had gone  
1538 directly from Iran bank account to Israeli to Swiss bank  
1539 account to contras, and no U.S. person had been involved--in  
1540 the handling of the money.

1541 . Q Did Attorney General Meese disclose who else might  
1542 have known about the diversion?  
1543 . A No, those are the only two that he named.

1544 . Q Okay. Did the President ask if anybody else was  
1545 involved?  
1546 . A Yeah, and Meese said that, well, to their knowledge  
1547 at that point, those are the only two from the

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1548 Administration that had known about it--oh, I think he did  
1549 tell the President that McFarlane knew about this having  
1550 been told by North on the way back from Tehran.

1551 . 2 Okay.

1552 . Did the President make any comment to that?

1553 . A No. Most of the conversation immediately turned to,  
1554 we have got to get this--make this news public. We cannot  
1555 sit on this news. Now, maybe in hindsight some people will  
1556 say we rush too fast to break the news. I know that there  
1557 has been some criticism by people of that. I think we would  
1558 be very remiss in not making it public immediately.

1559 . Over that weekend--well, prior to the weekend, and  
1560 then over the weekend, I had been doing the what-ifs along  
1561 with some other members of my staff, including <sup>William</sup> Wallace and  
1562 Thomas, Chew, Dawson and others, and I had come to the  
1563 conclusion that if there were anything remiss, and we had to  
1564 do something that we should get--immediately make a public  
1565 investigation and whatever the facts were, make it known.

1566 . This is based upon my suggestion to the President at  
1567 the time of the Challenger disaster that NASA not be allowed  
1568 to investigate itself, but that we appoint a  
1569 commission--later <sup>it</sup> became the Rogers Commission.

1570 . Based upon that, I immediately suggested another  
1571 commission to the President, and we discussed that for a few  
1572 minutes, as to was that the way to go, and he agreed that

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1573 | that is probably the way to go.

1574 |           I also suggested immediately that we had--if we  
1575 | were--if we were going to make the news available as quickly  
1576 | as possible, that right then and there was not the time to  
1577 | do it.

1578 |           It was late in the afternoon. The Attorney General  
1579 | still had some things to get straight. He had all the  
1580 | preliminaries in place, but he, as we now know--there was a  
1581 | lot more that could and should have been done, and  
1582 | accordingly, we felt that--I had said that I think what we  
1583 | got to do is tomorrow morning, as soon as we had gotten  
1584 | everything straight, we would have to have the President  
1585 | make the announcement, and I said, "Probably, Ed, that  
1586 | should be followed by your taking the questions, rather than  
1587 | the President, because you will know the details and the  
1588 | President certainly won't be able to answer press  
1589 | inquiries."

1590 |           So, it was in general agreed upon that, and I said I  
1591 | would set things in motion, and we would certainly keep the  
1592 | thing quiet overnight, but then break the news in the  
1593 | morning.

1594 |           Q   Did the Attorney General mention whether or not the  
1595 | FBI had become involved?

1596 |           A   I think he just said, "My people." He kept  
1597 | referring it as "my people." I don't think he specified

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1598 who the people were at that point.

1599 . Q Did the Attorney General mention that this may

1600 be--may be referred to an Independent Counsel?

1601 . A That was one of the possibilities that we went over,

1602 but my suggestion of the independent body to investigate

1603 first to see if there indeed was evidence of criminality was

1604 the one the President favored, and so did the Attorney

1605 General at that time.

1606 . Q Okay. Why was that? Why was that chosen over the

1607 Independent Counsel?

1608 . A We didn't debate it too long. I tell you, my own

1609 reason for suggesting the commission rather than the

1610 Independent Counsel, with all due respect to you lawyers, is

1611 that Independent Counsel takes--at least up to that point,

1612 the ones I had noticed--takes a long time before the facts

1613 are brought out to the public, and Independent Counsel shuts

1614 up. It operates behind the scene quietly. It doesn't go

1615 public with pieces of information and so on.

1616 . The American public would expect that this President

1617 would come out right away with everything that had gone on,

1618 and neither the public nor the press would be satisfied to

1619 say, well, Independent Counsel is going to do it, and a year

1620 from now after lengthy trials, you will find out all of the

1621 evidence.

1622 . That, from a public relations point of view simply

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1623 couldn't be condoned. You know, it wasn't credible, wasn't  
1624 believable. We had to get something done and done quickly,  
1625 and so, when I made the--on the following day more of a  
1626 follow-up on this, after thinking about it overnight, I  
1627 decided it should be just a few people that again, with all  
1628 due respect, and I have nothing but praise for the work of  
1629 the Rogers Commission--17 people looking into this affair  
1630 again would have taken three or four months.

1631 . I wanted a small select group, get into it, get as  
1632 much facts as you can, get it on the table, in the public  
1633 mind, and then we can find out who shot John, who is to  
1634 blame and so on and so forth.

1635 . So that is the reason I recommended only three  
1636 people, and if you recall, and I say this with some degree  
1637 of pride--that within 24 hours of the President's hearing  
1638 about this, I was already on the phone to John Tower, Ed  
1639 Muskie and Brent Scowcroft, that we had made--I had made this  
1640 recommendation to the President of those three names, he had  
1641 agreed with them, and I was on the phone to them asking them  
1642 if they would serve.

1643 . They agreed, and on--we announced this Tuesday  
1644 morning. Wednesday morning, we were able to announce the  
1645 members of the commission, and they swung right into action  
1646 very quickly, so that is how the Tower Commission came  
1647 about.

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1648 . Q You discussed other names other than those three; is  
1649 that correct?

1650 . A Only among my staff. I did not take other names to  
1651 the President. But I had back-up names in the event that he  
1652 would not go along with this, but actually the President and  
1653 I did this over the phone. I didn't even see him in  
1654 suggesting the names, because I had already told him that I  
1655 would be coming up with suggestions for him.

1656 . Q Now, when the Attorney General briefed the President  
1657 on this the afternoon of the 24th, did he mention that there  
1658 were people outside the government who were well aware of  
1659 the diversion?

1660 . A I am not sure. I don't know. Again, you have got  
1661 to remember this was a very short meeting, and a lot of our  
1662 discussion was how to make it public.

1663 . Q Um-hum. Well, for instance--

1664 . A You know, how--and how quickly to make it public.

1665 . Q For instance, we have heard testimony that Oliver  
1666 North told him that it was Albert Hakim's idea in the first  
1667 place--

1668 . A Hakim's name never came up in conversation with the  
1669 President on the 24th, ever.

1670 . Q There have appeared articles which credit, again, an  
1671 unnamed White House official as saying that on that day, on  
1672 Monday the 24th, there was discussion that the Attorney

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1673 General mentioned that there was just one black mark in his  
1674 investigation, mentioning the diversion, but saying that he  
1675 things that can be kept quiet.

1676 . A I never heard that. He certainly never said it to  
1677 me, because he told me early in the morning--something most  
1678 distressing to tell me, and then at the 11:00 meeting, he  
1679 said, when he referred to it I recognized immediately that  
1680 we would have to go public, and at no time did the Attorney  
1681 General ever suggest to me that we could keep this quiet or  
1682 should keep it quiet.

1683 . Q Do you know who the source of that article might be?

1684 . A No.

1685 . Q When was it discussed what the fate of Oliver North  
1686 and John Poindexter should be?

1687 . A ~~It~~ After the Attorney General left, the President--I  
1688 lingered behind just to try to console the President. I  
1689 knew he was distraught and ~~saying~~ <sup>said</sup> we would have to take  
1690 steps to clean up the mess. I said, in my judgment, if all  
1691 of this hangs together and ~~is~~ <sup>is</sup> true, Poindexter has got to go,  
1692 and we will have to clean house, and ~~the~~ <sup>the</sup> President didn't  
1693 comment.

1694 . He never comments on something of that nature. And  
1695 by his silence, I took <sup>it</sup> that I had consent to proceed ~~with~~  
1696 ~~this~~ I went back to my desk, informed Wallison and Thomas  
1697 of what had happened and asked them to please prepare a

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1598 statement for the President.

1699 . I had agreed with the Attorney General--and I believe

1700 ~~that~~ that I would speak to Poindexter about this. The  
 1701 following morning, I did talk to Admiral Poindexter, asking  
 1702 him how did this thing ever happen, and he told me that he  
 1703 suspected something was going on with Ollie North.

1704 . He probably should have looked into it. We didn't.

1705 And I asked him why not. I said, "My God, you are a Vice  
 1706 Admiral. Why the hell didn't you look into what was going  
 1707 on here?" And he said, "I didn't want to." He said, "I  
 1708 knew it would hurt the contras, and the way those guys on  
 1709 the Hill <sup>are</sup> ~~are~~ <sup>them</sup> jerking around," he said, "I was afraid it  
 1710 would hurt them too much, so I didn't look into it."

1711 . So I said, "Well, John, I can tell you when you  
 1712 come in at 9:30, you better have your resignation with  
 1713 you," and he said, "I have been thinking of that."

1714 . Q Okay.

1715 . A Now, you asked about Ollie North.

1716 . Q Yeah.

1717 . A Specifically, I don't recall that I told Poindexter  
 1718 or how it happened. I am inclined to think that after the  
 1719 9:30 meeting when Poindexter came in to see the President  
 1720 and resigned, that a suggestion was made--whether by me or  
 1721 not, I am still not sure--that North would have to be  
 1722 reassigned back to the Marine Corps. That was no attempt,

(to release him)

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1723 again, to differentiate between the two. North had come  
1724 into the White House not at the request of the President,  
1725 but had come in as a staff man.

1726 . It was logical that he would be staffed out, you  
1727 know, at the end of his assignment or at the pleasure of the  
1728 National Security Adviser.

1729 . There was some discussion a year or two--~~or~~ actually  
1730 about a year before <sup>this</sup> ~~that~~ about his being reassigned, and he  
1731 was kept on. Bud McFarlane had raised <sup>it</sup> ~~that~~, and he was kept  
1732 on.

1733 . Q Were you part of that decision-making process?

1734 . A No, North never reported to me--he was not on my  
1735 staff. He was on the staff of the National Security  
1736 Council. The National Security Adviser was the one who did  
1737 the hiring and firing there.

1738 . Q So, do you know who actually told Oliver North that  
1739 he would be reassigned?

1740 . A I don't know. I have heard it said that he found  
1741 out about it in the President's statement, and I do know  
1742 that I was responsible for the insertion of that in the  
1743 President's statement. Certainly Wallison and Thomas  
1744 wouldn't have dreamed it up on their own, but as to who then  
1745 actually told him, I don't know.

1746 . Q Well, as you know, Colonel North has testified that  
1747 he was under the assumption that he would be allowed to

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1748 resign from the MSC staff, or at least asked to be  
1749 reassigned, and instead heard about this over the  
1750 television.

1751 . Do you know who would have given him that  
1752 impression?

1753 . A All I can say is I don't know the answer to that,  
1754 and I am the last guy in the world to answer that question  
1755 considering what happened to him. I can sympathize with  
1756 Ollie North, because I found out about my reassignment  
1757 exactly the same way, first from rumors from the East Wing  
1758 of the White House and then later by hearing it on CMN that  
1759 my successor had been chosen.

1760 . So, I am the last guy in the world to comment on  
1761 that.

1762 . Q Did you have the impression you would be allowed to  
1763 ~~reassign~~ *resign* *resign*

1764 . A I had asked to ~~reassign~~. I told the President that  
1765 I had a letter that I prepared ~~for~~ *saying* resignation in October of  
1766 1986, ~~some~~ *saying* ~~time~~ after the election, ~~that~~ I wanted out and  
1767 back to civilian life. And I was carrying that letter with  
1768 me intending to give it to the President after we had done  
1769 the post-mortems in the election, but this Iran affair  
1770 intervened and I didn't think it appropriate that I resign  
1771 ~~then~~ *in then*, in spite of the urging that many people within and  
1772 without the White House were making ~~to~~ *to* me, ~~that~~ I didn't want

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1773 to be a scapegoat and look as I was resigning to take the  
1774 blame for all this.  
1775 . So I did not resign until I was pushed out after the  
1776 Tower report.  
1777 . Q Do you know when it was that arrangements were made  
1778 to secure documents at the NSC?  
1779 . A No.  
1780 . Q Okay. Do you know when it was that the FBI was  
1781 brought into the case?  
1782 . A No.  
1783 . Q Okay. Do you know if those arrangements were made  
1784 through Mr. Wallison's office, in other words, that he  
1785 indicated to you that he had taken any steps to secure  
1786 documents?  
1787 . A All I told him was to cooperate with Ed Meese and  
1788 offer him any help *he* could on what happened. The details, I  
1789 don't know.  
1790 . Q All right.  
1791 . Were you aware of any instructions to Oliver North  
1792 regarding when he had to leave or when he should clean out  
1793 his office or anything to that effect?  
1794 . A No.  
1795 . Q There has been much discussion at the hearings about  
1796 this off-the-shelf account of the residual funds, about \$8  
1797 million worth, that Director Casey had instructed Oliver

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1798 North to set aside and use for covert operations. Did you  
 1799 know anything about the establishment of this--this off-the-  
 1800 shelf account, so to speak?

1801 A No, I never heard of it until the public disclosure  
 1802 of it.

1803 Q Okay. At some point, did you inform Director Casey  
 1804 about what the Attorney General had told you?

1805 A Yes.

1806 Q When was that?

1807 A We missed contact during the day of the 24th. He  
 1808 had put in a call to me. I had answered and <sup>it later, we found</sup> ~~then~~ finally,  
 1809 <sup>talked and</sup> he said he wanted to see me. He <sup>wanted</sup> ~~had tried~~ to see me right  
 1810 after the NSPG meeting, but I had to push him off because I  
 1811 had <sup>the</sup> ~~this~~ meeting with the Attorney General and the  
 1812 President.

1813 I didn't tell him at that point why I was pushing it  
 1814 off, but said my schedule prevented it. He said that,  
 1815 "Well, then, could you drop by my office on the way home?"  
 1816 So that evening on my way to my residence, I went over to  
 1817 Langley and had a meeting with Casey for 20 or 25 minutes.

1818 Q Could you tell us what happened at that meeting?

1819 A Yeah.

1820 Q First of all--excuse me--was anyone else present?

1821 A No, just the two of us.

1822 Q Any notes taken at that meeting?

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1823 . A . No.

1824 . Q Okay. Could you tell us what happened?

1825 . A These are general impressions, because I don't have  
1826 any transcript. I told him that the Attorney General had  
1827 told the President that there was a diversion of funds to  
1828 aid the contras and that I had said, we are going to have to  
1829 go public with this right away and therefore an announcement  
1830 would be made in the morning about <sup>to</sup>this.

1831 . I cautioned him to remain quiet about it until the  
1832 public announcement.

1833 . Q Okay. If we can take it step by step. When you  
1834 told him that the President had been told about the  
1835 diversion of funds to the contras, what was his reaction?

1836 . A You have to know Director Casey to be aware of what  
1837 I am saying here. The man's face never reflects anything.  
1838 I won't say he had a poker face, but he certainly didn't  
1839 show surprise at that point, didn't utter any expletives,  
1840 didn't leap out of his chair or any of those things.

1841 . Q Did he mumble anything?

1842 . A He always mumbled. At that point, we just sort of  
1843 picked up in conversation without his expressing surprise,  
1844 chagrin or what have you, the consequences of what was going  
1845 on.

1846 . I think he wanted to warn me--warn is not the correct  
1847 word, alert me to what the next steps would provoke. That

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1848 is, that this might mean a cutoff in contra funds forever,  
1849 and the disaster that that would bring if the Sandinistas  
1850 had no opposition.

1851 . They were allowed to poison the rest of Central  
1852 America and the Caribbean. He warned me about the fact that  
1853 we would now be cut off for quite some time if not forever  
1854 from contacts with the Iranian Government as soon as this  
1855 became public, because they would be irate at the fact they  
1856 had been overcharged and funds diverted.

1857 . He warned me that this would be very upsetting to  
1858 Middle Eastern friends and others when the Israeli portion  
1859 of this became known. He didn't think that it would be very  
1860 harmful to relationships with allies, because they, in fact  
1861 for the most part, had been selling arms themselves. It was  
1862 conversation along that line.

1863 . It was no specifics as to, did I know that so-and-so  
1864 was involved, or did I know the details of how the--monies  
1865 passed or anything of that nature. It was more the  
1866 consequences of what was happening.

1867 . Q Were any of these consequences that other covert  
1868 activities might be discovered?

1869 . A I don't recall his saying that.

1870 . Q Okay. What about specifically Oliver North's aid to  
1871 the contras?

1872 . A Well, yeah. As I just said that when this news came

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1873 out that--well, he didn't get into specifics about what  
1874 Oliver North was doing <sup>to</sup> the contras, but in general, U.S.  
1875 aid to the contras would be cut off by actions of the  
1876 Congress.

1877 . 2 Okay. But I guess I am not concerned about the  
1878 money Congress might or might not vote. What I am asking is  
1879 North has testified that he basically directed contra  
1880 resupply effort. Did Casey allude to that?

1881 . A That didn't come up, no.

1882 . 2 Okay. Did Casey mention--

1883 . A These were--you know, you understand, generalities,  
1884 broad generalities of future consequences of a change in  
1885 policy.

1886 . 2 Did Casey mention anything about the Furmark visit,  
1887 F-u-r-m-a-r-k, visit that he had been told that there was a  
1888 possibility the money had been diverted as early as October  
1889 of '86?

1890 . A Earlier, sometime between November 3rd and November  
1891 24th, Casey had told me without using the name Furmark that  
1892 a Canadian friend of his had told him that the news of  
1893 McFarlane's visit and arms shipments by us and Israel to  
1894 Iran was pretty well known in certain circles, and that this  
1895 thing was coming unglued.

1896 . 2 Okay. But he didn't mention the contra diversion in  
1897 that?

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1898 . A . No.

1899 . Q . Okay.

1900 . Do you recall what context that was in? Were you at  
1901 a meeting? Was it on the telephone?1902 . A . I am inclined to think he dropped by my office one  
1903 time on the--either before or after another meeting when he  
1904 was in the White House just to let me know, because at that  
1905 time, you know, it was speculation all over the press about  
1906 the Iran shipments and so on, and he came in to tell me  
1907 about that.1908 . Q . What was the point of his telling you that? In  
1909 other words--1910 . A . Well, just to give me a heads-up that he tried to do  
1911 this repeatedly on many things, not just Iran, and--situation,  
1912 whenever something was about to blow. He would try to give  
1913 us a heads-up so I could give it to the President.1914 . Q . Did he say whether or not the CIA was taking any  
1915 steps to write the chronologies or get their arms around the  
1916 facts?

1917 . A . No.

1918 . Q . Did you ever see a CIA-prepared chronology?

1919 . A . No.

1920 . Q . We are back, I guess, to the evening of the 24th,  
1921 and you are meeting with Director Casey. Other than the  
1922 things that you have listed where he mentioned that there**UNCLASSIFIED**

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1923 may be a natural outgrowth of these activities. Did he say  
 1924 anything else--  
 1925 . A No. I cut the meeting short because I was anxious  
 1926 to get him to start doing somewhat if-ing. YOU KNOW, I knew  
 1927 what Wallison and Thomas were working on, the President's  
 1928 message. I would have to talk with them on the phone.  
 1929 . I had been told while in the car on the way to  
 1930 Langley that [REDACTED] was trying to get me. I had  
 1931 many telephone calls stacked up, so I wanted to get home and  
 1932 start in on those phone calls and try to make a decision as  
 1933 to, you know, who could we put on that investigating  
 1934 commission and how could we handle the announcement in the  
 1935 morning.  
 1936 . Q When you spoke to Director Casey, did he ever argue,  
 1937 imply or otherwise assert that perhaps you should try to  
 1938 keep it quiet because of these possibilities?  
 1939 . A I don't believe he did, and I wouldn't have listened  
 1940 to it anyway.  
 1941 . Q Okay.  
 1942 . Did you speak to [REDACTED] that evening?  
 1943 . A Yes.  
 1944 . Q And what did [REDACTED] tell you?  
 1945 . A [REDACTED]  
 1946 [REDACTED]  
 1947 [REDACTED]

10 (ME. 6)

15

6/8

3 letter nickname

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1948 . . Q . Do you recall how [REDACTED]

1949 . . A . I can't recall the specifics, but that was the

1950 thing, it would have to be a house cleaning of people that

1951 had laid down. I seem to have the impression that

1952 mine was one of the heads that would have to roll.

1953 . . Q . What gave you that impression?

1954 . . A . Well, when people talk about a thorough

1955 housecleaning starting at the top, one gets the impression

1956 that one may be considered.

1957 . . Q . Did [REDACTED] mention Oliver North or John Poindexter in

1958 that housecleaning?

1959 . . A . [REDACTED] didn't mention North. [REDACTED] may have mentioned

1960 Poindexter.

1961 . . Q . Did you tell [REDACTED] that steps were already taken or

1962 going to be taken?

1963 . . A . Yes. That was one of the things I was doing, was

1964 working fast and furiously to try to get this information

1965 out and to have an investigation and let the facts come out.

1966 . . Q . Did [REDACTED] ask any particular questions about what had--

1967 . . A . No, [REDACTED] didn't go into details.

1968 . . Q . Okay. Was there any discussion of if it should be

1969 made public or when it should be made public?

1970 . . A . I told [REDACTED] what we had agreed to, that it would be

1971 made public in the morning.

1972 . . Q . And what was [REDACTED] response to that?

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1973 . . A . I don't recall. Generally agreement, I believe.

1974 . . Q . Okay. Did you discuss the Tower Commission with

1975 [REDACTED]

1976 . . A . I didn't know it as the Tower Commission at that

1977 time.

1978 . . Q . Right.

1979 . . A . But [REDACTED] that was my recommendation and the

1980 President seemed to go with it.

1981 . . Q . Okay. Did [REDACTED] mention anything else during that

1982 conversation?

1983 . . A . No. Not that I recall.

1984 . . Q . Do you recall how long it lasted?

1985 . . A . 10 or 15 minutes.

1986 . . Q . Did [REDACTED] mention having spoken to the Attorney

1987 General?

1988 . . A . No.

1989 . . Q . Director Casey?

1990 . . A . No.

1991 . . Q . Anybody else in the government other than the

1992 President?

1993 . . A . I don't recall [REDACTED] mentioning anybody that [REDACTED]

1994 [REDACTED]

1995 [REDACTED]

1996 [REDACTED] but who the people were I never inquired.

1997 . . Q . Do you recall what it is [REDACTED] people were

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1998 | telling [REDACTED]

1999 . A Well, about the seriousness of the situation and the  
2000 facts were going to have to be made public--and that there  
2001 should be a thorough housecleaning.

2002 . Q On the 24th, then, I gather you helped prepare a  
2003 statement for the President.

2004 . A Yes.

2005 . Q To make at the press conference.

2006 . A Actually, it was finalized on the 25th.

2007 . Q And did you meet with the Attorney General on what  
2008 his responses would be to questions?

2009 . A Not in a sense of rehearsal or asking of questions,  
2010 but just in general was he comfortable, did he know all the  
2011 facts, would he be able to handle the questions, was there  
2012 anything further that he needed to know before he went  
2013 before the press, and he assuring me that he thought he had  
2014 enough that he could handle it.

2015 . Q When was your sense of when this first became a  
2016 criminal investigation?

2017 . A Sometime during the preparation of the initial  
2018 investigation of the Tower Commission, middle of December.  
2019 I recall Peter Wallison showing me a document that purported  
2020 to be some type of memoranda about the diversion of funds  
2021 and this for Presidential approval, and I recognized that  
2022 once I began to get the gist of the fact that this was U.S.

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2023 Government property sold and added mark-up charged, that  
2024 there were going to be questions as to who got the money,  
2025 whose money was it, all that type of stuff, and there was  
2026 the possibility of a crime here.

2027 . Q Okay.

2028 . But--I guess what I am getting at--the Attorney  
2029 General in the press conference on the 25th stated that he  
2030 was going to assign the Criminal Division of Justice to  
2031 begin the investigation. Was there any indication from him  
2032 that this was being done at an earlier time?

2033 . In other words, on Monday, when he told you of the  
2034 diversion, did he say--

2035 . A That would be the Criminal--no, no, no.

2036 . Q Okay, so this was actually the first you heard of  
2037 it, then, at the press conference.

2038 . A Yes.

2039 . Q And when were you first interviewed by the FBI?

2040 . A I would have to look at my records. I don't know.  
2041 It was shortly thereafter.

2042 . Q Now, as to the memo--if I can refer to it as the  
2043 diversion memo for a moment, you have seen the document, no  
2044 doubt.

2045 . A Yeah.

2046 . Q It is a rather lengthy piece?

2047 . A Yeah.

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2048 . . Q Is this the type of document that would go to the  
2049 President to review, or would it be normal to distill it  
2050 into it?

2051 . A That, to my eye was a working document, a staff-  
2052 prepared document. It did not have the normal salutation on  
2053 it that it was a memorandum from somebody to the President.  
2054 Normally, there would have been an overlay or a covering  
2055 memo go with that, explaining the contents of what it was.  
2056 The covering memo might or might not have had boxes for the  
2057 President to check agreement or disagreement, or it might  
2058 have been on the document itself, but the way that that was  
2059 phrased and so forth, there was more work needed on that  
2060 before such a document would have or should have been sent  
2061 forward to the President.

2062 . Q Would that normally have gone through you or would  
2063 that have gone straight from the NSC to the President?

2064 . A That type of thing normally would have gone straight  
2065 from the NSC to the President. I am not sure--that is the  
2066 best, and I resisted a lot of that while in--as Chief of  
2067 Staff, this by-passing of the normal paper channels, but  
2068 that is the way that they wanted it done.

2069 . Q Um-hum. I take it then that you didn't see that  
2070 memo or any of the other memos that North described in his  
2071 testimony?

2072 . A No, never.

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2073 . Q Okay.

2074 . Did you ever discuss with Admiral Poindexter what  
2075 happened with those memos?

2076 . A No.

2077 . Q At any time since--

2078 . A After Admiral Poindexter resigned, except for a  
2079 brief meeting of consolation and farewell, I did not talk in  
2080 any detail to John Poindexter about the events that have  
2081 transpired.

2082 . Q Okay.

2083 . Have kind of a small question. It is my  
2084 understanding that if a staff member at the MSC needs  
2085 transportation, whether it be by car or by airplane, that it  
2086 had to be approved through you?

2087 . A It was not sent. This is a reference to a  
2088 Washington Post story of several days ago in which there was  
2089 a memorandum shown in The Washington Post from Oliver North  
2090 to John Poindexter, saying that the memo should be forwarded  
2091 to him requesting transportation for North when and if he  
2092 had to travel, particularly travel to Andrews Air Force Base  
2093 and back, or to hurried meetings around town, that the White  
2094 House transportation pool be ordered to furnish him  
2095 transportation.

2096 . Q How do you know for sure that wasn't sent to you?

2097 . A Because I would have told him what to do with it.

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2098 and I don't remember seeing it. But the newspaper account  
2099 did say that Poindexter went back to North and said, "Don't  
2100 be childish," or words to that effect. "Stop bitching,"  
2101 or words to that effect, "and get on with your job."  
2102 . So, he never did forward it according to the  
2103 article.

2104 . Q Actually, in my question, I was--I am particularly  
2105 concerned about the air travel. My information is from  
2106 speaking to Ed Mackay that if one--someone at the NSC wanted  
2107 to get a flight to a certain location, that that would have  
2108 to be approved by you; is that correct?

2109 . A If they wanted a special military plane from the  
2110 White House pool of planes that were assigned for  
2111 transportation by the President or his staff, I had to okay  
2112 each of those. I normally okayed flights only for the  
2113 National Security Adviser himself or occasionally one or two  
2114 other very senior White House staffers.

2115 . We--I did not see requests--if they requested normal  
2116 government transportation; that is, if they wanted a seat on  
2117 a plane that might be going somewhere, let's say to Germany.  
2118 That type of thing didn't come to him. It was for the use  
2119 of a specific plane in whole or in part by someone in the  
2120 West Wing that had to come to him.

2121 . Q Okay.

2122 . Did you ever see an application either by or on

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2123 behalf of Oliver North?

2124 . A I believe there was, but I am not the guy to answer  
2125 that completely, because that is an administrative detail,  
2126 and I never made notes of details of that nature.

2127 . Q But did you delegate this authority or did you  
2128 yourself exercise it?

2129 . A This authority was delegated for the most part so I  
2130 wouldn't be bothered about these requests unless the Special  
2131 Assistant to the President for Administration couldn't  
2132 handle it himself, then he came to me.

2133 . Q All right. But if, let's say, North wishes to hop a  
2134 military flight, for instance, that would not come through  
2135 your office at all?

2136 . A No.

2137 . Q Okay.

2138 . There has also been testimony regarding--oh, I have  
2139 one more question on the documents, the diversion memos that  
2140 would have gone up. Is there a--would there have been a  
2141 central file where these would have been kept if the  
2142 President had seen them.

2143 . In other words, would either his secretary or the  
2144 central files of the White House have kept copies of what he  
2145 had seen?

2146 . A That is what we wanted. That is why we like to have  
2147 White House paper procedure followed, because these

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2148 documents did go to the central file where the archivist or  
2149 the diarist would know of them and they would be kept.  
2150 . When they by-passed the normal channels that way,  
2151 they then became documents that were off somewhere else in  
2152 somebody else's file, and that would normally be in the NSC  
2153 files themselves and not part of the Presidential files.  
2154 . Q Okay. So, for instance, the findings, there would  
2155 just be one, the original that would be kept with Admiral  
2156 Poindexter?  
2157 . A Yes, and how I know that, in October or thereabouts  
2158 Director Casey called me to ask, did I have a copy of the  
2159 January 17 filing--findings.  
2160 . After a search of my records, I said no. He said  
2161 neither did he. And he would like to have a copy. I told  
2162 him I would ask Poindexter. I asked Poindexter about it,  
2163 and he said there was only one copy, and he kept it. There  
2164 had been none circulated.  
2165 . Q Is that unusual that the CIA, even though they  
2166 drafted the finding, would not have a copy of it?  
2167 . A Casey found that very unusual that he didn't have a  
2168 copy.  
2169 . Q Okay.  
2170 . Do you know whether or not one was provided to  
2171 Casey?  
2172 . A I don't know.

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2173 . Q All right.

2174 . A Could I take a short break here?

2175 . MR. MINTZ: Why don't we take a break?

2176 . [Recess.]

2177 . BY MS. NAUGHTON:

2178 . Q Actually--now, this is a Mark Belnick question, so

2179 you have to forgive me, but actually speaking of

2180 publication, we understand that you are writing a book, and

2181 we would like to know if you would like to share your notes

2182 with the committee?

2183 . A All the notes that I am using I have already shared

2184 with the committee. As a matter of fact, they have the

2185 originals, and, if you sent it back, I would appreciate it,

2186 because I find it hard to read the copies at times.

2187 . Q That is fine.

2188 . Actually--only had one other area of inquiry, and

2189 that is the use of DEA agents by Oliver North to locate and

2190 excavate the hostages. What was your first awareness that

2191 this had been done?

2192 . A Very hazy recollection that in one of the briefing

2193 sessions that ~~General~~ ~~President~~ may have brought this up to

2194 the President in no detail, in saying there were DEA agents

2195 who thought they had a lead on where the hostages were

2196 located, and they were hopeful they could exploit that

2197 information and--

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2198 . MR. MINTZ: In terms of details that may be as far  
 2199 as you want to go.

2200 . MS. NAUGHTON: Yeah, I am not interested in their  
 2201 sources or anything along those lines.

2202 . BY MS. NAUGHTON:

2203 . Q Was this at the time when Admiral Poindexter was  
 2204 National Security Adviser?

2205 . A Yes.

2206 . Q So, sometime in '86 probably?

2207 . A Yes.

2208 . Q Had--is this the first reference to DEA agents  
 2209 regarding the hostages that you can recall?

2210 . A Yes, and only reference.

2211 . Q Okay. Mr. McFarlane testified, and we know that in  
 2212 1985, actually in February of '85, that McFarlane sent on to  
 2213 the Attorney General, to Director Casey and others--basically  
 2214 requested DEA be used in this capacity. Did that go through  
 2215 at all?

2216 . A I had just taken over as Chief of Staff in February  
 2217 of '85. I came on board February 3rd and I don't recall  
 2218 that happening.

2219 . Q Do you recall what the President's response was, if  
 2220 any, to Poindexter's briefing that DEA was going to be used?

2221 . A Just that <sup>in</sup> ~~the~~ <sup>he</sup> general <sub>1</sub> hoped that something could be  
 2222 done to get the hostages out.

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2223 . Q Was there any discussion of whether or not it was  
2224 appropriate to have drug enforcement agents--  
2225 . A No.  
2226 . Q Was there any discussion of the money for this  
2227 operation?  
2228 . A No.  
2229 . Q Okay.  
2230 . A Not that I recall.  
2231 . Q Now, did you become aware at some point that private  
2232 monies were planning on being used or had been used?  
2233 . A Only after the news became public.  
2234 . Q When was that?  
2235 . A I am not sure whether it was with the Tower  
2236 Commission report or after--or during these hearings. I am  
2237 not sure when.  
2238 . Q So after January of '87.  
2239 . A And I left the White House.  
2240 . Q Okay. Were you aware of any donations by Ross Perot  
2241 in anything connected with hostages?  
2242 . A You are talking here of hostages that probably are  
2243 held by the Hizbollah, not hostages held by other enemies of  
2244 the United States.  
2245 . Q Right. I am speaking specifically of those held in  
2246 Lebanon.  
2247 . A No.

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2248 . Q Okay.

2249 . Were you aware of any conversations or

2250 communications in writing between the President and Ross

2251 Perot regarding his efforts to locate or extricate these

2252 hostages?

2253 . A These hostages--

2254 . Q Yes.

2255 . A --meaning which hostages?

2256 . Q The ones held in Lebanon.

2257 . A No, I am not aware of any exchange between the

2258 President and Ross Perot on that subject.

2259 . Q Okay. Were there other hostages they communicated

2260 about?

2261 . A Yes.

2262 . Q In another area of the world?

2263 . A Yes.

2264 . Q Do you know whether Ross Perot donated any money in

2265 connection with that?

2266 . A What is that?

2267 . Q On these other hostages somewhere else in the world?

2268 . A Yes.

2269 . Q Okay. Do you know when that was?

2270 . A Could have been '83, '84, '85 and '86. Ross Perot

2271 has an ongoing interest on hostages in Vietnam, and it is

2272 well-known--possible hostages in Vietnam.

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2273 . Q Okay. So your other activity that we are alluding  
2274 to is the one--people possibly being held in East Asia?  
2275 . A That is right.  
2276 . Q After the initial briefing by Admiral Poindexter  
2277 about the DEA, do you recall any further information to your  
2278 agency regarding DEA activities?  
2279 . A All I know is that it proved fruitless, that we were  
2280 told it didn't work.  
2281 . Q And who were you told that by?  
2282 . A Again, it had to be Poindexter.  
2283 . Q Did it ever come to your attention that DEA agents  
2284 were actually assigned to the MSC staff?  
2285 . A No.  
2286 . Q Would that have been unusual?  
2287 . A I never knew for sure how many people were on the  
2288 staff of the MSC or who they were.  
2289 . Q Um-hum. Did it ever come to your attention that the  
2290 expenses of the DEA agents were being paid from private  
2291 funds?  
2292 . A No.  
2293 . Q Did you ever discuss the activities of the DEA  
2294 agents with the Attorney General?  
2295 . A No.  
2296 . Q Did you ever hear him brief the President on their  
2297 activities?

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2298 . . A . No, I don't recall that.

2299 . . Q . Okay.

2300 . . What about either Administrator ~~Long~~ or Director

2301 Webster? Do you recall either of them briefing the

2302 President on these efforts to locate and extricate the

2303 hostages?

2304 . . A . No, I do not.

2305 . . Q . Okay.

2306 . . Was there a discussion with the Attorney General and

2307 the President sometime in either December of '86 or January

2308 of '87 regarding giving immunity to Oliver North or Admiral

2309 Poindexter?

2310 . . A . I don't recall that being brought up to the

2311 President. I recall staff discussions of that and

2312 speculation about it in the press, but I don't recall that

2313 specifically even being discussed in front of the President.

2314 let alone asking for a Presidential decision in the matter.

2315 . . Q . Would it be possible for the Attorney General to

2316 speak to the President without you present during this

2317 period of time, December and January?

2318 . . A . Possibly, but I don't recall it.

2319 . . Q . Did you ever discuss this issue with the President?

2320 . . A . Immunity for North or Poindexter, no.

2321 . . Q . Was it ever discussed with the President in your

2322 presence?

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2323 . . . A . Wait a minute. I do recall some conversation among  
2324 the President, myself and the Vice President at a morning  
2325 meeting as to was there any way that we could get Poindexter  
2326 and North to come forward and tell their story, and our  
2327 wondering why they were reluctant to come forward and tell  
2328 their story, and the fact that this matter wouldn't be  
2329 cleaned up until they came forward and--but after the  
2330 discussion, we agreed among ourselves that it wouldn't be  
2331 appropriate for any one of the three of us to initiate any  
2332 types of phone calls or action to try to force these  
2333 people--or to testify because there had been some suggestions  
2334 in the press and from other people that the President as  
2335 Commander-in-Chief ordered them to do it.

2336 . . . We decided that just wouldn't be appropriate to do  
2337 it, and certainly that there should be no overt actions on  
2338 the part of the President for such things as Presidential  
2339 pardons or immunity or things of that nature being promised  
2340 if they would come forward and talk with it.

2341 . . . It just wouldn't do.

2342 . . . Q Do you recall the Attorney General being consulted  
2343 on this matter?

2344 . . . A No, I don't.

2345 . . . Q Okay.

2346 . . . Do you recall any efforts on the part of Brendan  
2347 Sullivan, the attorney for Colonel North, to meet with the

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2348 President?

2349 . A I don't recall that, no.

2350 . Q Were you ever told of any such--

2351 . A No.

2352 . Q Okay.

2353 . A I never heard the name Brendan Sullivan until North

2354 had hired him and it became a matter of public knowledge and

2355 in the press.

2356 . Q Did Mr. Wallison ever discuss with you that North's

2357 attorney wishes to meet with the President?

2358 . A No.

2359 . Q Finally, are there any questions I didn't ask that

2360 we should?

2361 . A There are a lot of questions you didn't ask.

2362 . Q Let me finish my question.

2363 . A I am not going to suggest them to you.

2364 . Q Well, that is what I am asking you to do.

2365 . A I am just kidding.

2366 . Q The answers which would be relevant or pertinent to

2367 our inquiry.

2368 . A I understand seriously what you mean.

2369 . Q I mean, Elliott Abrams testified we didn't ask the

2370 questions in the right way to get the right answers. I

2371 wanted to be sure--

2372 . A I want to make certain you understand the reporting

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2373 relationship of the head of the NSC to the President. I  
 2374 understand they just asked John Poindexter about it on the  
 2375 tube. But that I was not in charge, never purported to be  
 2376 in charge. I know there has been a lot of speculation that  
 2377 I was the all-powerful Chief of Staff, that I ran things  
 2378 with a tight grasp, ~~or~~ <sup>on</sup> ~~my~~ <sup>my</sup> hand, however you want to  
 2379 phrase it, in the White House however, I did handle things  
 2380 in the White House.

2381 . Certainly the NSC, particularly NSC staff, never  
 2382 reported to me, I never saw them privately, I never hired  
 2383 them, fired them, gave them a pay raise or had anything to  
 2384 do other than through the administrative people in the West  
 2385 Wing, gave them lodging and whatever things they needed in  
 2386 order to perform their job.

2387 . When I arrived at the White House, Mr. McFarlane had  
 2388 access to the President whenever he felt he needed it. We  
 2389 continue that procedure. Mr. McFarlane and I had a run-in  
 2390 shortly after I was there. I believe it was the death of  
 2391 Andropov, and the next morning, the 9 <sup>Feb or March (7) 1985</sup> ~~October~~ meeting, the  
 2392 President said to me, "Gosh, I didn't get much sleep  
 2393 thinking about Andropov after I was told last night."

2394 . I said, "When were you told?" He said maybe 2:30,  
 2395 3:30, whatever. I said, "Oh." Then I had words with Mr.  
 2396 McFarlane about my not being notified, pointing out to him  
 2397 that if something untoward happened that would involve

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2398 moment of the President, for the Chief of Staff to still  
 2399 remain in his bed sound asleep was most inappropriate ~~and~~  
 2400 <sup>so</sup> that I wanted to be notified.

2401 Well, once we got that straightened out, McFarlane  
 2402 was accustomed ~~just to~~, if he thought he needed to be with  
 2403 the President <sup>or</sup> and to tell the President something, would  
 2404 tell me <sup>first</sup>. ~~I was going to see the President~~ At night, after  
 2405 they notified the President of something, <sup>the NSC staff</sup> they would then  
 2406 call me <sup>to</sup> and tell me <sup>what</sup> they had told ~~this to~~ the President.

2407 When Poindexter took over from McFarlane--the  
 2408 President announced ~~at that time~~ that Poindexter would be  
 2409 reporting to him. ~~and~~ there was a question from the press  
 2410 to Poindexter saying, "Will you report directly to the  
 2411 President or will you report to the Chief of Staff?" And  
 2412 he said, "No, I am going to report to the Chief of Staff.  
 2413 Don Regan has--I am going to report to the President, Don  
 2414 Regan has already told me that." So that got a big  
 2415 chuckle.

2416 But at no time did I try to interfere with the  
 2417 security <sup>advisor</sup> ~~advice~~ or meeting with the President or talking to  
 2418 the President.

2419 Q Do you know why Mr. McFarlane left, why he resigned?  
 2420 A At the time I know that it was a general question of  
 2421 fatigue and that he had gone through a lot at Geneva,  
 2422 meetings with Gorbachev had been very tiring and wearing on

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2423 him. He had been sort of worn down, and he thought it was  
2424 time after--let's see, he had been on the job then for two  
2425 years or so--or more--for him to move on.

2426 . Q Um-hum. You have no doubt kept a bit abreast of  
2427 what is going on at the hearings and specifically of Colonel  
2428 North's testimony. Is there anything that has been  
2429 testified to in the hearings that does not comport with your  
2430 recollection of the events?

2431 . A I have not followed it in that great of detail to be  
2432 able to answer that specifically, but from the little I  
2433 heard or read, no, I haven't seen anything that I would  
2434 challenge.

2435 . Q When Oliver North said he had authority for  
2436 everything that he did, and if we can take it step by  
2437 step--in terms of the diversion of the funds of the Iranian  
2438 arms sales to the contras, did you give him such authority  
2439 to do that?

2440 . A No.

2441 . Q All right. In terms of his contra resupply effort  
2442 of lethal aid to the contras, did you give him any authority  
2443 to do that?

2444 . A No.

2445 . Q Do you know, to your knowledge, whether or not  
2446 Admiral Poindexter or Mr. McFarlane gave him authority to do  
2447 those acts?

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2448 . A No.

2449 . Q Thank you. That is all the questions I have.

2450 . MR. GENZMAN: Give me a second to finish my notes.

2451 . BY MR. GENZMAN:

2452 . Q I guess this is your opportunity if there is

2453 anything else you wan to put on the record--

2454 . MR. MINTZ: I think the record should show in

2455 response to one question counsel asked near the end there

2456 about responding to questions that weren't put properly to

2457 him, the record should show Mr. Regan's answers have been

2458 very forthcoming and went way beyond what you asked to

2459 explain and put clear what happened.

2460 . MS. NAUGHTON: Thank you. I would agree with you.

2461 . THE WITNESS: I am not known as one who is laconic.

2462 . BY MR. GENZMAN:

2463 . Q Sir, I have a few follow-up questions so that I am

2464 sure in my own mind what the responses are. You had

2465 mentioned previously that President Reagan would attend drop-

2466 bys of meetings between Oliver North and contra supporters,

2467 and that he would thank them for what they had done or were

2468 about to do.

2469 . Is that a correct summary?

2470 . A Let me just clarify a little bit. When the

2471 President went in, it was the drop-by. The affair itself

2472 would be labeled as a meeting at the White House, although

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2473 | it was usually held in the West Wing of the White House and  
2474 | then the President would drop by. It was never billed as a  
2475 | drop-by by the President.

2476 | . Q The President would merely drop by for a short  
2477 | period of time?

2478 | . A Five minutes or so.

2479 | . Q I wanted you to explain what you meant when you said  
2480 | the President would thank the contra supporters for what  
2481 | they had done or what they were about to do. Were these  
2482 | people who had not yet decided to contribute or were being  
2483 | solicited to contribute? Can you explain what you meant?

2484 | . A We never knew who, or at least I never knew, and I  
2485 | don't believe the President did, who among the group in the  
2486 | audience had contributed or who hadn't, and if they had  
2487 | contributed, how much they had contributed. That detail was  
2488 | never furnished.

2489 | . The briefing papers would indicate to the President  
2490 | that this group, for example, was contributing money for the  
2491 | purpose of an advertisement. The advertisement had not  
2492 | appeared at the time he would be thanking them, so he would  
2493 | be thanking them for a future event; that is, they were  
2494 | contributing for something that was about to happen.

2495 | . That is what I meant.

2496 | . Q That clarifies that matter; thank you.

2497 | . You testified earlier about a meeting with the

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2498 President and the Attorney General in which the Attorney  
2499 General first mentioned the contra diversion--diversion of  
2500 funds from the Iranian arms sales to the contras, and you  
2501 mentioned the President's reaction.

2502 . At any point in that conversation or any others, did  
2503 the President ever specifically mention his lack of  
2504 knowledge of this diversion?

2505 . A I am not sure how he phrased it. I am not sure that  
2506 he said it specifically. But I was under the impression  
2507 that he, like me, was hearing that for the first time, at  
2508 least on Monday, November 24.

2509 . Q And this particular meeting took place later in the  
2510 morning; is that correct?

2511 . A No, that was the afternoon meeting, 4:15, 4:30, in  
2512 through there, on the 24th.

2513 . Q I stand corrected. There was an earlier meeting, a  
2514 very brief one.

2515 . A The diversion was not mentioned as a subject, but  
2516 merely Meese alerting the President that something untoward  
2517 had developed that he had found out that it would require  
2518 Presidential attention.

2519 . It was a very serious matter, but he didn't want to  
2520 talk about it at that time. He knew the President's  
2521 schedule was tight, that he didn't have the time to go into  
2522 it, and he had a few things, and I believe the expression I

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2523 have used over and over again on this is a few other things  
2524 to button up before he could give the full story to the  
2525 President.

2526 . Q Was it your impression these were legitimate reasons  
2527 not to go into details at this earlier meeting?

2528 . A I was under the impression that the Attorney General  
2529 had one or two missing links, if you will; that is my  
2530 phrase, and wanted to get all of the connections together  
2531 before he gave the story to the President; in other words,  
2532 wanted to be able to give a full and complete story to the  
2533 President.

2534 . Q Later that day, when the Attorney General mentioned  
2535 the diversion to the President, I believe the information  
2536 included the fact that Admiral Poindexter and Colonel North  
2537 knew--and were aware of the diversion.

2538 . A Let me have that again.

2539 . Q When the diversion was disclosed to the President by  
2540 the Attorney General, is it correct that the Attorney  
2541 General said Colonel North was involved and that Admiral  
2542 Poindexter had some type of inkling, I believe was your  
2543 expression?

2544 . A Yes.

2545 . Q And did the Attorney General also say that Mr.  
2546 McFarlane also knew?

2547 . A No, he did not say that.

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2548 . . . Wait a minute. Excuse me; he did. I believe he  
2549 told the President that McFarlane knew about it--not during  
2550 <sup>his</sup> ~~this~~ tenure as National Security Adviser, but had found it  
2551 out from North on the way back from Tehran.  
2552 . Q Was there any discussion as to what, if anything,  
2553 Mr. Casey knew about the diversion?  
2554 . A No.  
2555 . Q I heard you mention earlier there was no attempt to  
2556 differentiate between the way that Admiral Poindexter left  
2557 the NSC and the way Colonel North left. Can you explain for  
2558 me--maybe I missed something. Can you explain for me in a  
2559 little more detail how it was at least reported in the press  
2560 that Admiral Poindexter had been allowed to resign and  
2561 Colonel North was fired, is the way the press had it?  
2562 . A I know the press has, in my judgment, exacerbated  
2563 the President's intention there. The President is a kindly  
2564 man, and he seldom, if ever, to my knowledge, directly fires  
2565 anybody. People are allowed to resign. It is a face-saving  
2566 gesture, if you will. People are reassigned. People  
2567 voluntarily agree to do something else.  
2568 . There are many euphemisms for people changing jobs.  
2569 In this particular case the President, hearing Admiral  
2570 Poindexter say, "and I am resigning, Mr. President, and  
2571 herewith is a letter," accepted it.  
2572 . In the case of North, as I told you earlier, I am

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2573 not quite sure of how the word actually got to North or who  
2574 specifically signed his transfer, whether it was Dr. Keel  
2575 who remained as National Security Adviser, or how that  
2576 actually happened, I don't know.

2577 All I know is is that--and it is my belief that if  
2578 the subject came up just briefly at the 9:30 meeting that  
2579 North should be reassigned. I may have suggested it.  
2580 Again, there was no attempt to say out, and he is out on his  
2581 ear as a military person.

2582 But it is just that he was being reassigned from the  
2583 National Security staff back for R&R with the U.S. Marine  
2584 Corps, if one can get R&R with the U.S. Marine Corps.

2585 Q Okay, thank you.

2586 I have a few other issues to touch upon. You  
2587 mentioned a conversation you had with Mr. Casey at Langley,  
2588 I believe that was on November 24 in the evening?

2589 A On my way home on the night of Monday, November 24.

2590 Q And I believe you testified that you told Mr. Casey  
2591 that you had learned about the diversion from the Attorney  
2592 General and had told the President?

2593 A That the President and I had learned from the  
2594 Attorney General just that afternoon.

2595 Q Both of you had learned that day, you earlier in the  
2596 day and the President--

2597 A No, no, no. I just referred to the 4:30 meeting

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2598 | which we just discussed. I told him that the Attorney  
2599 | General had come in and told the President.  
2600 | Q Just to be clear, though, you had learned about the  
2601 | diversion, though, earlier than the President.  
2602 | A Only in a sentence or two.  
2603 | Q Sure.  
2604 | A And it was put to me as possible diversion.  
2605 | Q Do you recall whether or not you told the Tower  
2606 | Commission about this conversation with Mr. Casey and the  
2607 | fact that you had talked to him about the diversion on this  
2608 | occasion?  
2609 | A I don't know whether they questioned me or not. I  
2610 | can check that and get--or can I? Do I have access, counsel,  
2611 | to Tower--  
2612 | MR. MINTZ: We do.  
2613 | THE WITNESS: We can check that and get back to you,  
2614 | if you like.  
2615 | MR. MINTZ: I think the committee has the same  
2616 | access, so if you are looking for the transcript, you can  
2617 | review that yourself.  
2618 | THE WITNESS: I don't recall them asking me, but  
2619 | they may well have.  
2620 | BY MR. GENZMAN:  
2621 | Q I am asking you whether this specific piece of  
2622 | information about talking to Mr. Casey about the diversion

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2623 is something you have just recently recalled or something  
2624 that you--

2625 . A Well, I knew it from November 24 on. Whether or not  
2626 anyone asked me about it, I don't recall.

2627 . Q We can check the other testimony.

2628 . A Yeah.

2629 . Q Let me proceed with a few more questions. You  
2630 mentioned a conversation with Mr. Casay regarding his  
2631 Canadian friend and the information that Canadian friend had  
2632 provided.

2633 . Did you date that conversation?

2634 . A No, I didn't. I said sometime between November 3rd  
2635 and the 24th, but it is my impression that it came sooner  
2636 rather than later. That is shortly after the 3rd or 4th.

2637 . Q Thank you. And earlier, we were talking about the  
2638 diversion memo, and at some point, we were talking about  
2639 memos, plural; Colonel North has testified in public  
2640 hearings that there were five, I believe.

2641 . When did you first find out that there was more than  
2642 one memo which we tend to call the diversion memo?

2643 . [REDACTED]

2644 [REDACTED]

2645 [REDACTED]

2646 Committee [REDACTED]

2647 to what Wallison informed me.

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2648 I did not know that there were other documents of a  
2649 similar or same nature until the public testimony before the  
2650 select committees.

2651 Q Earlier, you testified about the issue of immunity,  
2652 and I believe you said that we all agreed it would not be  
2653 appropriate to initiate any phone calls for take any action  
2654 regarding the idea of getting Admiral Poindexter and Colonel  
2655 North to tell their story.

2656 Who were you referring to when you mentioned "we"?

2657 A The President, Vice President and myself.

2658 MR. GENZMAN: I think that covers my questions. I  
2659 thank you for your time, sir.

2660 MS. NAUGHTON: I had one other question.

2661 BY MS. NAUGHTON:

2662 Q Oliver North testified that he got a call from the  
2663 President on the 28th, the day that he was reassigned to the  
2664 Marine Corps. Were you present when the President made that  
2665 phone call?

2666 A No.

2667 Q Do you know if anyone was?

2668 A I don't believe anyone was actually in the room,  
2669 although Jim <sup>KUHN</sup> Geon, the President's personal assistant, might  
2670 have been. I recall I asked the President about it, how did  
2671 ~~it~~ if it had happened and how did it happen ~~and he said no~~.  
2672 <sup>KUHN</sup> Geon told me about it first. That the President just picked

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2673 up the phone, said, "Get me Colonel North," and the White  
 2674 House operators found North and put him on with the  
 2675 President. That is how it happened.

2676 . Q Did Mr. <sup>KUHN</sup> ~~Coon~~ listen to the call?

2677 . A He heard only the President's side--if he were there,  
 2678 he heard only the President's side.

2679 . Q Did you ever discuss that phone call with the  
 2680 President?

2681 . A Yes.

2682 . Q And what did the President tell you about it?

2683 . A I asked him how it had happened.

2684 . Q Why did you ask that?

2685 . A I was curious.

2686 . Q Why?

2687 . A Huh?

2688 . Q Why?

2689 . A Curious about anything the President did that got in  
 2690 the paper. I wanted to know the background because, sooner  
 2691 or later, some reporter would ask me about it, or someone  
 2692 else, and I said--asked him, you know, how did it happen, and  
 2693 he said, "Well, I hope you did the right thing." And I said  
 2694 okay. "Well, I hope you did the right thing."

2695 . Q What did the President tell you that he told North?

2696 . A I thanked him for his job and told him he was a great  
 2697

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2698 . Q Anything else?

2699 . A No. Again, you have got to remember this President  
2700 is a warm-hearted, emotional type of person, and when he  
2701 sees somebody in the obvious distress that Ollie North was,  
2702 ~~and~~ having been reassigned back to the Marine Corps,  
2703 released from his position at MSC, he felt sorry for him and  
2704 so called him.

2705 . Q Did the President indicate to you that they had  
2706 discussed the diversion or the President's knowledge of the  
2707 diversion?

2708 . A No, and the conversation was brief, very brief on  
2709 the phone, and I am not sure North even had time to reply to  
2710 the President.

2711 . BY MR. GENZMAN:

2712 . Q Do you have knowledge of any similar call the  
2713 President might have made to Admiral Poindexter?

2714 . A No, because in the meeting at the time that  
2715 Poindexter resigned, the President told--thanked him for the  
2716 job he had done, told him that he appreciated all the work,  
2717 was sorry for the way this was ending and wished him well.

2718 . MR. GENZMAN: I have nothing further.

2719 . Again, thank you for your time, sir.

2720 . MS. NAUGHTON: Thank you very much.

2721 . [Discussion off the record.]

2722 . MR. MINTZ: I would repeat my request that the

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2723 transcript be reviewed for classification purposes.

2724 . MS. NAUGHTON: And I represent that our security

2725 officer can review the transcript and we will classify it.

2726 . MR. MINTZ: Thank you.

2727 . THE WITNESS: I would like to note, can I have a

2728 copy of that--

2729 . MS. NAUGHTON: --under the House--

2730 . THE WITNESS: Or should I say, may I have a copy of

2731 it?

2732 . MS. NAUGHTON: Under the House Rules, we are asking

2733 witnesses to come and review the transcript and not

2734 releasing them however, I mean, if you wish to request it, I

2735 will make your request known to the chairman, and then he

2736 has got to rule separately on that.

2737 . THE WITNESS: I would appreciate it, because in the

2738 event I am called as a witness, it is much easier for me to

2739 be able to review all of my material without having to go

2740 all over the place, and if I may point this out, I am a bit

2741 of a public figure and for me to appear on Capitol Hill may

2742 or may not excite the curiosity of the press or others, and

2743 I just as soon avoid that, if at all possible.

2744 . MS. NAUGHTON: I understand that, and we have made

2745 exception for Cabinet-level officers, so--

2746 . THE WITNESS: And I had Cabinet-level rank.

2747 . MS. NAUGHTON: We will ask, however, if you provided

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2748 a copy that no copies be made or kept by you, and it will  
2749 have to be returned to the committee after completion of  
2750 your public testimony.

2751 . THE WITNESS: I will argue that one later.

2752 . MR. MINTZ: We will discuss that.

2753 . MS. NAUGHTON: I just wanted to make clear that the  
2754 rules are.

2755 . THE WITNESS: I am just saying I don't wish to fence  
2756 with you, but I am merely agreeing at this time that I will  
2757 return the copy.

2758 . MS. NAUGHTON: Okay, that is fine. Thank you.

2759 . MR. MINTZ: Thank you very much.

2760 . THE WITNESS: I hate to be legalistic with a lawyer.

2761 . [Whereupon, at 12:00 noon, the taking of the  
2762 deposition was concluded.]

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## \* \* \* SPEAKER LISTING \* \* \*

RPTSMAZUR 1

DCMNDONOCK 1

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\* CONTENTS \*  
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STATEMENTS OF:

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 Stenographic Transcript of  
 HEARINGS  
 Before the

HSIS 54 /87

ORIGINAL

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE  
 TO IRAN AND THE NICARAGUAN OPPOSITION

# UNITED STATES SENATE

DEPOSITION OF OTTO J. REICH

Washington, D.C.

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(4096)

Partially Declassified/Released on Dec 23 1977  
 under provisions of E.O. 12356  
 by D. Sirko, National Security Council

PERSON REPORTING

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**DEPOSITION OF OTTO J. REICH**

Wednesday, July 15, 1987

United States Senate

Select Committee on Secret

Military Assistance to Iran

and the Nicaraguan Opposition

Washington, D. C.

Deposition of OTTO J. REICH, called as a witness by counsel for the Select Committee, at the offices of the Select Committee, Room SH-901, Hart Senate Office Building, Washington, D. C., commencing at 10:08 a.m., the witness having been duly sworn by MICHAL ANN SCHAFER, a Notary Public in and for the District of Columbia, and the testimony being taken down by Stenomask by MICHAL ANN SCHAFER and transcribed under her direction.

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1       **APPEARANCES:**

2               On behalf of the Senate Select Committee on Secret  
 3       Military Assistance to Iran and the Nicaraguan  
 4       Opposition:

5       [REDACTED]  
 6               Associate Counsel

7               On behalf of the House Select Committee to  
 8       Investigate Covert Arms Transactions with Iran:

9       [REDACTED], ESQ.  
 10              Staff Counsel

11             On behalf of the House Foreign Affairs Committee:

12       [REDACTED] VER, ESQ.  
 13              Associate Chief Counsel

14             On behalf of the witness:

15       [REDACTED]  
 16       [REDACTED]  
 17              1200 18th Street, N.W.  
 18              Washington, D. C. 20036

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1	C O N T E N T S		
2	EXAMINATION ON BEHALF OF		
3	WITNESS	SENATE	HOUSE
4	Octo J. Smiljanich		
5	By Mr. Smiljanich	4	
6	By Mr. Oliver		81
7	E X H I B I T S		
8	REICH EXHIBIT NUMBER	FOR IDENTIFICATION	
9	1	81	
10	2	117	

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## PROCEEDINGS

Whereupon,

OTTO J. REICH,

called as a witness by counsel on behalf of the Senate Select Committee and having been duly sworn by the Notary Public, was examined and testified as follows:

### EXAMINATION

BY MR. SMILJANICH:

Q State your name for the record, please.

A Otto J. Reich.

Q Ambassador Reich, my name is Terry Smiljanich.

I am Associate Counsel with the Senate Select Committee on the Iran-Contra matter. I want to ask you a series of questions concerning your tenure as Director of the Office of Public Diplomacy, also your ambassadorship in Venezuela, matters as they bear upon things that may be relevant to our Committee.

This is a joint deposition. Present also is Spencer Oliver and Tom Fryman on behalf of the House Committee investigating the same matters. We are doing this all together so we can avoid duplication and calling you back for one, two, three depositions.

If there's anything that I ask you that you are not clear about, what my question means or what it's about, please let me know and I'll be happy to rephrase

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1 it for you. And if you want to take a break at any time,  
2 let me know. I don't anticipate this is going to go on  
3 very long, but if you do want to take a break, just let  
4 me know.

5 A I appreciate it.

6 Q Would you give us the benefit of a brief  
7 synopsis of your background, starting with your highest  
8 level of education and then your various employments and  
9 levels of employment?

10 A I have a master's degree from ~~University of North Carolina~~  
11 ~~University of North Carolina~~. That's the highest level of education.

12 My employment started before that. After  
13 graduation from the University of North Carolina I joined  
14 the U.S. Army. I went through officer candidate school.  
15 After becoming a lieutenant I was assigned to the Panama  
16 Canal -- it was then called the Panama Canal Zone -- for  
17 two years, came back and went to graduate school.

18 While going to graduate school I worked on the  
19 Hill for a Congressman from Missouri part time to  
20 supplement my income and my GI Bill -- W. R. Hull.  
21 Finished graduate school, moved to Florida, went into  
22 business with an old Army colleague, an import-export  
23 business in Miami importing goods from various parts of  
24 the Caribbean and Central America for about a year. That  
25 didn't work out financially, so I joined the State of

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1 Florida Department of Commerce as an international  
2 representative.

3 I'm giving you the major jobs. You don't want  
4 to know that I worked in a shoe store and things like  
5 that.

6 Q No. This is fine.

7           A     I did a lot of that, too. Joined the State of  
8     Florida Department of Commerce in 1973. I worked with my  
9     **domestic from '72 to '73. '73 to '75 was international**  
10    representative of the State of Florida Department of  
11    Commerce based in Coral Gables, Florida.

12 In '75 I was hired by the City of Miami as the  
13 community development coordinator, which is in effect  
14 economic development coordinator, until 1978 when I was  
15 offered a job and accepted the job as Deputy Director of  
16 the Washington office of the American Council on Education.  
17 It's a non-profit association dealing with U. S.  
18 corporations, membership of U.S. corporations, dealing  
19 with Latin America, and I became Director of the  
20 Washington office in 1978. A year later, when the Director  
21 left.

22 I was then appointed as Assistant Administrator of the Agency for  
23 as Assistant Administrator of the Agency for  
24 [redacted] confirmed by the Senate  
25 [redacted] I held that job until approximately

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1 July 1. I say approximately because there is about  
2 three different dates when the Office of Public Diplomacy  
3 was created by the National Security Council. I think it  
4 officially became an office on July 1 of '83.

5 I had that job until the President named me  
6 Ambassador to Venezuela. The official designation was  
7 January of '86, but he had actually signed my papers  
8 August of '85. I had a hard time getting confirmed. I  
9 was attacked by all sides, which I think helped me a  
10 great deal. I was sworn in in May and moved on to  
11 Venezuela in May right after confirmation. I have been  
12 Ambassador to Venezuela since then.

13 Q Okay. Your appointments, starting with 1981,  
14 Assistant Administrator, on to LPD, and then Ambassador  
15 to Venezuela, these are all political appointments?

16 A They are political appointments, correct.

17 Q Now what was your specific role as Assistant  
18 Administrator of AID? Were you the administrator?

19 A I was the administrator for Latin America and  
20 the Caribbean. It's the equivalent of an Assistant  
21 Secretary. It's Assistant Administrator. I was the  
22 counterpart of what would today be Elliott Abrams and at  
23 that time was Tom Enders.

24 Q And then when you became Director of the  
25 Office of Public Diplomacy you started off as the

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1 Director: is that right?

2 A I started out as the staff.

3 Q You were the entire staff?

4 A I was the entire staff, right.

5 Q At that time -- the acronym is LPD, right?

6 A At that time it was S/LPD because it was in  
7 the office of the Secretary. We can call it LPD if you  
8 want.

9 Q Let's refer to it as LPD.

10 A It's a lot shorter.

11 Q Because at some point later in time the office  
12 was transferred from the Secretary?

13 A That's correct, after I left.

14 Q Transferred from the Secretary's office over  
15 to Elliott Abrams?

16 A That's correct.

17 Q So, thereafter the acronym, instead of S/LPD  
18 is what?

19 A Thereafter, LPD.

20 Q And when you were directly under the  
21 Secretary, who was your immediate supervisor?

22 A On paper, George Shultz. When I say on paper,  
23 there is actually a piece of paper that says, that  
24 designates George Shultz as your supervisor.

25 Q So you would report, if you needed to report

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1 to anybody above you, directly to the Secretary?

2 A If I can clarify that, knowing the Secretary's  
3 time constraints I usually would report to the Deputy  
4 Secretary, who most of the time when I was there was Ken  
5 Dan.

6 Q How did your appointment to S/LPD come about?  
7 How did it happen?

8 A During the time that I was Assistant  
9 Administrator of AID we had a very large increase in our  
10 aid programs for Latin America. I didn't think -- I  
11 mean, that was my job, to carry that out, implement that  
12 program. I always complained that I thought the  
13 Administration was doing a very poor job of letting the  
14 rest of the world, including the American people, know  
15 what we were doing. Frankly, nobody really cares very  
16 much about foreign aid. There's a few Members of  
17 Congress -- ~~Senator Pell~~ being one, for example -- who  
18 always cared.

19 And I wasn't under any illusions that we were  
20 going to be able to get a lot of people interested in the  
21 subject, but what concerned me more was that I knew we  
22 were carrying out doing certain things in Latin America,  
23 particularly Central America, which I thought were very  
24 good for the United States and for democracy in the  
25 region -- the land reform program in El Salvador, for

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1        example, smaller land reform programs in Guatemala,  
2        Honduras, Costa Rica, et cetera -- and there were a lot  
3        of aspects of the policy also not related to AID where I  
4        thought the Administration was doing a very poor job in  
5        informing the Congress and the American people.

6 So perhaps as a result of all this complaining  
7 they said, fine. You go and fix it. How would you like  
8 to do this? Actually I have to go back a few months from  
9 the time that I got that job. Senator Richard Stone -- I  
10 wasn't the only one complaining. Everybody in the  
11 Administration, a lot of people, knew what a lousy job we  
12 were doing in communicating -- or let me put it this way  
13 -- not what a lousy job, because I think we were probably  
14 trying, but that we could be more effective.

15  
16  
17 to the President's Secretary or something to  
18 that effect. I'm not certainly exactly what he was  
19 called. He had that job only a few months because in, I  
20 believe, April, 1981, President Reagan  
21 addressed a joint session of the Congress where he said  
22 we've got a big problem here, folks, I need your help --  
23 "folks" being both the Congress and the American people.  
24 Shortly thereafter, a few days thereafter,  
25 Stone was named the Special Counsel and Special Advisor,

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1 which was one of several things that President Reagan  
2 announced at the time he was going to do. That left a  
3 vacancy in this position and I was selected then sometime  
4 between April and June to succeed Stone, but with a  
5 little different role in that the position instead of  
6 being at the White House was placed in the Office of the  
7 Secretary of State.

8 Q Okay. And when you started up your function,  
9 this would have been in July of '83?

10 A Correct.

11 Q Did you then have a budget with which to  
12 create a staff or anything?

13 A No.

14 Q How did you go about creating a staff at LPD?

15 A The memorandum from the National Security  
16 Council which created the office authorized the office to  
17 obtain personnel from State, Defense, AID and USIA, with  
18 the State Department providing the bulk of the budget,  
19 office space, logistical support. So I started  
20 recruiting people. A lot of people volunteered.

21 Q You mean like pulling them from a Defense slot  
22 or AID?

23 A That's right. There were many volunteers.  
24 There were people who wanted to get into this because  
25 they thought it was something exciting, different, for

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1 whatever reason, and there were some that I specifically  
 2 knew were either very knowledgeable about Central  
 3 America, knew the issues, or were particularly good  
 4 writers or articulate spokesmen.

5 I tried to choose people with the skills that  
 6 a public outreach, public diplomacy operation would need.  
 7 That took quite a few months. Frankly, I don't think we  
 8 were up to speed for about a year.

9 Q When you finally got up to full speed how big  
 10 was your staff?

11 A I believe that we got up to about 19, 20  
 12 people -- 18, 19, 20 people.

13 Q And who was your principal deputy?

14 A I had two deputies -- John Blacken, a career  
 15 Foreign Service official.

16 Q How do you spell Blacken?

17 A Like black-e-n.

18 Q He was career Foreign Service?

19 A He was career Foreign Service, a member of the  
 20 Senior Foreign Service. And the other deputy was  
 21 Jonathan Miller. You've heard his name.

22 Q Between the two of them how were their  
 23 responsibilities divided?

24 A Basically sort of Mr. Inside and Mr. Outside.  
 25 John Blacken was responsible for keeping the enormous

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1 amount of information that was flowing into the office  
 2 flowing. He was responsible for keeping it coming in,  
 3 making sense out of it, and producing, culling out all  
 4 the stuff we didn't need and producing the documents that  
 5 became, I would say, the principal activity of the  
 6 office, producing documents, speeches, publications,  
 7 background papers -- you've probably seen a lot of the  
 8 stuff -- and also making sure that we would get  
 9 additional -- if we needed something, he would try to  
 10 find it, not only in the State Department but also in the  
 11 other parts of the Executive Branch; ~~James Miller~~ was  
 12 more the outside person.

13 ~~the dealt with outside groups.~~ We had a lot of  
 14 outside groups who came to us for information, who were  
 15 referred to us by other parts of the government,  
 16 particularly the White House. There were a lot of people  
 17 who wanted help or wanted to criticize or wanted to  
 18 contribute ideas, information, and, as you know, there  
 19 are a lot of groups in Washington that were set up both  
 20 for and against the policy -- a lot more against than  
 21 for.

22 Q Let me interrupt here for just a second. When  
 23 you say "the policy", are you referring to overall Latin  
 24 American policy or was there a particular focus within  
 25 the Latin American policy?

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1           A    Both. The reason why the office was  
2 designated as the Office of Public Diplomacy for Latin  
3 America and the Caribbean was because we didn't want to  
4 just limit it to Central America, and in fact, for  
5 example, the office was in operation at the time of the  
6 Grenada rescue mission or invasion, whatever you want to  
7 call it, and we did a lot on Grenada. We put out most of  
8 the documents that eventually told the story, as we saw  
9 it, of what happened in Grenada.

10           Q    It would be fair to say, though, that one of  
11 the primary major focuses of your public diplomacy effort  
12 was geared toward the Administration's Central American  
13 program, particularly vis-a-vis the Sandinistas' presence  
14 in Nicaragua?

15           A    It would be fair to say the first part of your  
16 statement, and eventually the second part, but if we go  
17 back in time to '83, in 1983 and 1984 the principal issue  
18 of debate in the public and in the Congress was El  
19 Salvador, not Nicaragua. Nicaragua became the principal  
20 issue really sometime after the Congress approved the  
21 President's request for El Salvador and after the  
22 Salvadoran elections in the spring and summer. There  
23 were two elections because there had to be a runoff --  
24 the spring and summer of '84.

25                   Then the focus of attention nationwide shifted

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1 -- it was almost overnight -- to Nicaragua. And,  
2 therefore, the requests that came into the office and the  
3 demand for information shifted more to Nicaragua. But  
4 that doesn't mean that we weren't already working on it.  
5 We knew it existed.

6 Q Who was the perceived audience of your efforts  
7 at public diplomacy?

8 A We had a lot of audiences, foreign and  
9 domestic -- foreign governments, friendly governments who  
10 we felt did not have enough information about the policy,  
11 general publics, interested groups, and domestic, of  
12 course. I would say the Congress and the press. I'm not  
13 putting them in order of priority because one day it  
14 would be one and another day another. The Congress, the  
15 media, let's say, interested groups, people who had  
16 expressed an interest in the subject and, I'd say, the  
17 general public.

18 Q Okay. Getting information together and  
19 presented to the Congress was part of what you perceived  
20 as your function?

21 A Yes.

22 Q Let's go to the end of your tenure there, when  
23 you left for Venezuela in January of '86.

24 A Well, when I left the office.

25 Q When did you actually leave -- when did you

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1 actually cease functioning as Director?

2 A January of '86. There was a period when I had  
3 to prepare for my confirmation hearings and I had to  
4 leave the office.

5 Q During that time one of your deputies took  
6 over?

7 A Yes. John Blacken.

8 Q John Blacken took over your day-to-day  
9 functions?

10 A That's correct.

11 Q [REDACTED] still a deputy at that  
12 time?

13 A No.

14 Q When did he leave?

15 A [REDACTED]

16 Q [REDACTED]

17 A That's correct.

18 Q And what was his title there?

19 A [REDACTED]

20 Q Specifically the NSC?

21 A He went to the NSC and I believe his title was  
22 Deputy Executive Secretary of the NSC, but we'd have to  
23 check on that exactly.

24 Q I think that's right, and that was Labor Day,  
25 approximately September?

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1           A     When I say Labor Day, I remember it was around  
2 that time. I think it was either right before or right  
3 after -- early September, I believe it was.

4           Q     Who took his place as Mr. Outside, so to  
5 speak?

6           A     Nobody. I was going to explain what happened.

7           Q     Well, go ahead and tell me. Go ahead and  
8 explain what you did.

9           A     I started to hire a successor and it took so  
10 long that the successor did not arrive until after I was  
11 gone.

12          Q     Now when did you first meet the acquaintance  
13 of Lieutenant Colonel North?

14          A     Sometime in 1963.

15          Q     And how did that come about? He was one of  
16 the Latin America people at the NSC?

17          A     I think it was probably in a meeting when I  
18 first came across him -- some kind of a meeting or  
19 something like that.

20          Q     Was he involved at all in the discussions  
21 leading up to the creation of LPD?

22          A     No, not to my knowledge. Not that I know of.

23          Q     Okay. Now let's talk about a few of the  
24 contracts that LPD entered into. First of all, were you  
25 the contracting officer, so to speak, for LPD?

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1 A No.

2 Q Who was?

3 A We had different contracting officers. I made  
4 the decisions eventually -- we need this, we need that,  
5 let's find somebody who can do it -- but by State  
6 Department regulations there has to be a contracting  
7 office technical representative I believe it's called, or  
8 some kind of liaison officer, and it was never me.

9 I just didn't have the time to supervise  
10 contractors. I was trying to manage all of our inside  
11 staff, our in-house staff, and doing a lot of traveling  
12 because I was out on the road a lot.

13 Q I realize that this is a broad question so I  
14 would expect a broad answer. What types of contracting  
15 services did you find yourself contracting out in generic  
16 terms?

17 A Usually we would contract out for services  
18 that we couldn't produce in house because we didn't have  
19 the manpower. As you said, at the beginning of the  
20 office it was just me. For the first year we were very  
21 much understaffed. We were promised people from other  
22 agencies and they eventually arrived, but in some cases  
23 it took six months. I can give you names of people it  
24 took six months to arrive.

25 During that time -- sometime during that time

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1 -- I was told you can hire contractors, you know, to do  
2 some of this work.

3 Q Who told you that?

4 A Different people. I can't remember their  
5 names -- State Department people. I believe some  
6 detailees, some people who had already arrived in the  
7 office and who knew the conditions we were working under  
8 and, frankly, who were suffering under those conditions  
9 and said we need help. We were swamped with requests for  
10 information. Once the office was created, people thought  
11 oh, there's a great resource. Let's use it. And they  
12 didn't realize we couldn't produce.

13 So when I found out we could go out for people  
14 who could help us write papers, check information for us,  
15 you know, do the things that we eventually learned to do  
16 ourselves, then I went out and hired them.

17 Q How you say you didn't have a budget as  
18 Director of LPD.

19 A In the first year.

20 Q And the first year would be July of '83 to  
21 July of '84?

22 A That's right.

23 Q When did you first start contracting services?  
24 I realize you don't have documents in front of you. I'm  
25 just asking for your best recollection.

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1 A I can't remember when our first contract --

2 Q Was it within the first year?

3 A I would say it was within the first calendar  
4 year -- I should say fiscal year, July to July --  
5 definitely in the first year. I don't remember when our  
6 first contract was. The thing on the budget --

7 MR. OLIVER: Can we go off the record for just  
8 a minute?

9 (A discussion was held off the record.)

10 THE WITNESS: What I wanted to clarify was I  
11 didn't want to leave you with the impression my office  
12 had no budget at first. It didn't have an independent  
13 budget. But we could use the budget of the Office of the  
14 Secretary, and did, up until the time when we had our own  
15 budget. And I frankly don't remember when that was  
16 either. I believe it was fiscal year '84. I believe  
17 that fiscal year '84, which would have been October of  
18 '84, was when we first had some money of our own.

19 But up until then, for example, if I had to  
20 travel I would travel on S Bureau funds.

21 BY MR. SMILJANICH: (Resuming)

22 Q And if you wanted to contract for services  
23 during that initial time period you had to make sure that  
24 the money was available in the S budget?

25 A Yeah, sure. We went through the proper

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1 procedures, just like a travel voucher.

2 Q Just very generally let me look here. I have  
3 a few of these IBC contracts here, and the earliest one I  
4 have here -- Spencer is bringing us a more complete file  
5 that he may want to refer to -- but the earliest one I  
6 have here was signed in February of 1934. You might take  
7 a look at that cover there. That's just the first  
8 document there.

9 MR. TUOHEY: Terry, are you going to mark this  
10 as an exhibit?

11 MR. SMILJANICH: No.

12 MR. OLIVER: Isn't that a Frank Gomez  
13 contract, not an IBC?

14 BY MR. SMILJANICH: (Resuming)

15 Q Yes.

16 A In fact, that may be the first outside  
17 contract we had. I don't recall.

18 Q That's what I was going to ask you.

19 (Pause.)

20 MR. TUOHEY: Terry, are you going to ask  
21 questions about this contract?

22 MR. SMILJANICH: I'm not going to get into the  
23 details, no, but if anybody does he can certainly refer  
24 to it.

25 MR. TUOHEY: What I'm saying is we won't take

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1 the time to read it now.

2 MR. SMILJANICH: I don't really need him to.

3 BY MR. SMILJANICH: (Resuming)

4 Q My first question about this is, do you recall  
5 whether or not this was the first or one of the first  
6 outside contracts that LPD would have --

7 A It certainly was one of the first.

8 Q Now the contract is specifically between LPD  
9 and Frank Gomez.

10 A That's correct.

11 Q Now did you meet Mr. Gomez at that time?

12 A At this time, yes.

13 Q How did you first make his acquaintance?

14 A My recollection is that I first met him after  
15 I became the coordinator of public diplomacy on the  
16 occasion of a briefing that I gave the USIA Foreign Press  
17 Center. If I'm not mistaken, he was the director at that  
18 time of the USIA Foreign Press Center. I was introduced  
19 to him. He took me out to meet the press. I gave my  
20 briefing and we said goodbye.

21 I may have met him another time. I have this  
22 recollection that around the time of the cruise  
23 operation, which would have been October -- the first  
24 encounter would have been July or August --

25 MR. TUOHY: Of what year?

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1 THE WITNESS: Of '83. And then I think in  
2 October again when I went to brief the press -- I went to  
3 brief the press several times. I'm not sure he was there  
4 every time. So I met him, I think, a couple of times but  
5 I'm not even sure that it was a couple of times. It was  
6 at least once, so that's when I met him.

7 BY MR. SMILJANICH: (Resuming)

8 Q At that time was he associated with Richard  
9 Miller?

10 A No. Not to my knowledge.

11 Q Now how did this particular contract come  
12 about? By this particular contract, I mean the February  
13 '84 Frank Gomez contract.

14 A One of the first people who was assigned to my  
15 office, to LPD, was a USIA officer called John Scafe --  
16 S-c-a-f-e. John, who was a very experienced officer,  
17 came to my office shortly after it was created. He was  
18 one of the first few people, and he knew what kind of  
19 demands we were under. And he said, several months later  
20 -- not right away, several months later -- he said,  
21 remember Frank Gomez who you met?

22 I said yeah. Well, he's retiring from USIA,  
23 and there was something to the effect of why don't we  
24 hire him. And I said, you know, at that time I would  
25 have hired anybody who walked in the door who had the

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1 right requirements.

2 And, frankly, Gomez' qualifications were very  
3 good. In addition to the USIA experience he had been a  
4 Deputy Assistant Secretary of State for Public Affairs  
5 and knew the region, Central America, had served in the  
6 region, spoke the language -- on and on and on -- just  
7 made to order for our office.

8 I don't recall whether -- I think he wanted to  
9 retire and not work for us. At first I probably said,  
10 you know, USIA owes us a detailee because we were  
11 supposed to have two. Can we have him detailed? And I  
12 have this vague recollection that no, he wants to retire,  
13 but we can hire him as a contractor, and I said fine,  
14 let's do it. And this is the result.

15 Q Did anybody outside your office lobby for or  
16 make a recommendation to you to contract with Mr. Gomez?

17 A No, not to my recollection. The only person I  
18 remember is John Scafe.

19 Q You then met with Mr. Gomez and negotiated  
20 this contract? In other words, how did you go about it?

21 A Well, I certainly met with him. I mean, he  
22 came into the office -- I don't remember when -- and  
23 said, either he said this is what I can do for you or I  
24 said what can you do for us, and it was pretty obvious  
25 right away that he could help us a great deal. He might

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1 have even brought with him some samples of writing, some  
2 things, for example, like fact sheets, et cetera.

3 We're now going back almost four years in  
4 time. I think one of the biggest complaints I had was  
5 that there were certain allegations about the policy  
6 which were wrong but they kept being repeated. And one  
7 of the things he said he could help us with was these  
8 misconceptions. So I think one of the first things he  
9 did for us was a paper on misconceptions, one-pagers.

10 I wanted to reduce the enormous amount of  
11 information we had to something that could be easily  
12 digested by busy people -- Members of Congress, editors,  
13 whatever.

14 Q How did you arrive at a contract price with  
15 him? Do you recall that process?

16 A I don't recall that. What I usually did was  
17 I would turn it over to the appropriate people in the  
18 Department. I did not set the prices -- at least I have  
19 no recollection of ever discussing the price of any  
20 contract with anyone, because I don't know what the  
21 services are worth. I don't have any experience in that.

22 Q So you left that up to your staff?

23 A I left it up to the staff and to the technical  
24 people whose job it is to do that.

25 Q What do you mean the technical people?

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1           A    Well, the State Department contracting office.

2           Q    In other words, outside your particular staff  
3   at LPD?

4           A    Oh, yes, outside. Sure. Our inside staff had  
5   no one knowledgeable about contracting. As I said, the  
6   most we ever had, including secretaries, was about 19, 20  
7   people, including the people who did all the mountains of  
8   paperwork. I had substantive people. I just could not  
9   afford to have --

10           MR. TUOHEY: Let me for the record make not an  
11   objection but a clarification. I think this is an  
12   important one to put on the record. The contracting  
13   officer, the procurement contracting staff, is a separate  
14   entity within the State Department, and that's important  
15   because -- and I will get into more of this later -- I  
16   have discussed at some length with the Inspector  
17   General's staff, I know some of you fellows have, the  
18   inquiry into the contracting process, and I think it's  
19   important that the record reflect, and the Ambassador  
20   certainly will respond to the questions at the  
21   appropriate time, that there was a separate contracting  
22   officer staff that handled a lot of these negotiations  
23   that was not under his control.

24           MR. SMILJANICH: I appreciate that  
25   clarification. I think that's clear in his answer, that

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1 the actual contracting out of the service was performed  
2 by an entity within State Department outside your staff.

3 THE WITNESS: That's correct.

4 BY MR. SMILJANICH: (Resuming)

5 Q Now I don't know if there is a reference  
6 within that contract or not to this. If there were, I'd  
7 point it right out to you. Do you recall whether or not  
8 there was any discussion of the necessity for security  
9 clearances to Mr. Gomez in connection with that contract?

10 A No, not at that time. I don't recall any at  
11 all.

12 Q Now let me see, then --

13 A Wait a second. Now that you mention it, I  
14 think I was told that Gomez had a clearance.

15 MR. TUOHY: I think the question was whether  
16 you recalled the language of the contract referring to  
17 it, and you haven't had a chance to review it in detail,  
18 so you just don't know.

19 THE WITNESS: That's right.

20 BY MR. SMILJANICH: (Resuming)

21 Q I didn't say anything about it. I just  
22 wondered if he recalled anything about the discussion of  
23 whether or not he needed a security clearance in  
24 connection with this.

25 A Um-umm.

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1 Q The next contract that I have with me here --  
2 and let me for the record state that I'm not at all  
3 asking you to assume that everything I show you is every  
4 single contract in connection with these matters. These  
5 are just simply ones that I have been able to pull from  
6 the file. I don't know whether they are complete or not.  
7 But I just wanted to refer you to some specific ones.

8 This next document is a contract with Mr.  
9 Gomez and your office. The date of signature is July 18,  
10 1984. The contract amount is \$99,000. For the record --  
11 A \$99,000? \$9,500.

12 Q I'm sorry \$99,500. The first one's \$9,500.  
13 For the record, the first one I showed you, the date of  
14 signature was February 27, 1984, between Mr. Gomez and  
15 your office, for \$9,500, and the second one is for the  
16 same amount.

17 Take a moment and look at that. I'm not going  
18 to ask you detailed questions about it. Just look at it  
19 to familiarize yourself generally with the subject.

20 (Pause.)

21 A Yes. This looks familiar.

22 Q I just have a general question. Do you recall  
23 how this subsequent contract came about, any discussions  
24 about it or what led up to it?

25 A Well, I'm sure -- I assume that the way that

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1 it happened was after our, say, first trial period with  
2 Gomez, whom, by the way, we knew from referral but we  
3 didn't know how he could perform for us, we felt that he  
4 was performing very well and decided to continue the  
5 services.

6 So the time of the first contract was about to  
7 run out or had run out or whatever, and another contract  
8 was drawn up.

9 Q Okay. When did you first make the  
10 acquaintance of Richard Miller?

11 A I knew Richard Miller when he was in AID, and  
12 I don't remember whether he was already the Director for  
13 Public Affairs or was the Deputy Director. I believe he  
14 was Deputy Director of Public Affairs at AID before he  
15 was Director of Public Affairs.

16 I would say I don't recall meeting him before  
17 '82. I was already the Assistant Administrator of AID.  
18 But it could have been '81. It could easily have been  
19 '81.

20 Q Did you know whether or not Mr. Gomez and Mr.  
21 Miller had any connection at the time you were engaging  
22 in these contracts?

23 A No, I did not.

24 MR. TUOHEY: Would you state the question  
25 again?

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1 BY MR. SMILJANICH: (Resuming)

2 Q Yes. At the time you were working with these  
3 initial contracts that I've shown you were you aware of  
4 any connection between Mr. Gomez and Mr. Miller?

5 A No.

6 Q Richard Miller?

7 A No, I was not.

8 Q We might as well go ahead and just run some  
9 names past you. Do you know Carl Spitz Channel?

10 A No, I don't.

11 Q You've never met him?

12 A I've never met him, to my knowledge.

13 Q Did Colonel North, to your recollection, have  
14 anything to do with discussions concerning entering into  
15 these specific contracts that I've shown you?

16 A No, not to my knowledge.

17 Q Let me show you a contract, date of signature  
18 of January 28, 1985, between your office and  
19 International Business Communications of Washington, D.  
20 C. in the amount of, I believe, \$24,400, and it shows  
21 contractor representative Frank Gomez. Take a moment,  
22 and again I'm not going to ask you detailed questions  
23 about it.

24 (Pause.)

25 A Yes.

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1 Q How did International Business Communications  
2 come to your attention, if it did?

3 A Yes, it did. To the best of my recollection,  
4 what happened was toward the end of '84, after we had had  
5 nearly a year of what we considered to be a successful  
6 professional relationship with Frank Gomez, I believe he  
7 came to us and said I am -- we probably wanted to  
8 continue working with him.

9 I know we wanted to continue working with him,  
10 and he said I'm forming a corporation with Rich Miller --  
11 he probably said with Rich Miller; I don't recall, but  
12 there's no reason for him to not disclose that -- and  
13 it's called International Business Communications.

14 And so from now on it won't be Frank Gomez  
15 that makes the proposals or has the contract, but if we  
16 want to continue the relationship it will be with IBC,  
17 which is not unusual. I thought it was for tax purposes  
18 or something, or to expand their capabilities.

19 Q Now were these what is referred to as sole  
20 source contracts?

21 A Yes, they were.

22 Q In other words, you didn't put out a request  
23 for proposals or anything like that out and accept bids?

24 A That is correct.

25 Q You were, up to this point, very satisfied

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1 with the work Mr. Gomez was producing for you?

2 A Yes.

3 Q And his product again, just in general terms,  
4 the product he was producing was papers, things such as  
5 that?

6 A Papers, but not just papers. He was in very  
7 frequent contact with people in my office, particularly  
8 John Scafe, Jonathan Miller -- who was the COTR  
9 contracting office technical representative -- with me  
10 less frequently. But I would see him. If he would pick  
11 up some information that he thought would be valuable and  
12 we should include, he would pick up the phone and call.

13 So it wasn't just papers but it was a lot of  
14 papers. It was advice. It was translations. It was the  
15 kind of services described in here.

16 Q Did IBC or Mr. Gomez or Mr. Miller or the  
17 people within IBC, did they do any of the actual contact  
18 with the outside world?

19 A Oh, yes. They had contact with the outside  
20 world.

21 Q In terms of getting the message out. That's  
22 what I'm talking about -- in terms of your overall  
23 objective.

24 A No. They came to us and suggested that we do  
25 this or that. In some cases they had contacts, I am

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1 sure, with the outside world, but they weren't doing it  
2 for us. I wanted to make sure that whatever they did for  
3 us was only things that were included in the contract.

4 Q In other words, they were producing material  
5 and information and whatever for your use. They were not  
6 going out and acting on behalf of the Office of Public  
7 Diplomacy and speaking to groups and saying we're here  
8 for the Office and things such as that?

9 A Not to my knowledge.

10 Q Or making specific contact with targets, if I  
11 can use that word, targets.

12 A Target audiences. Well, yes. They would  
13 identify audiences and I know that there were times, for  
14 example, when they would organize -- I think there was a  
15 time when they set up a press conference for, say, a  
16 defector. So to the extent, as I mentioned earlier, that  
17 one of our target audiences, one of our audiences was  
18 the press, then, yes, they did make contact.

19 I'm remembering some now that they did make  
20 contact with some of the outside groups or a reporter who  
21 would have asked a question, for example, who were to  
22 call the producer of a program who wanted to turn on his  
23 or her show a real live Salvadoran guerrilla defector,  
24 let's say. And so Frank Gomez or someone else -- not  
25 only Frank Gomez but including Frank Gomez -- would take

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1 this defector over there.

2 Q Was there one person within your staff who was  
3 primarily responsible for administering the Gomez and  
4 then later the IBC contracts?

5 A Yes. Well, if you mean a contracting office  
6 technical representative, yes. They are listed. There's  
7 a requirement in these contracts that a COTR be  
8 designated, and I believe every one of the contracts has  
9 a name.

10 Q And the COTR would be the person within your  
11 staff primarily responsible for overseeing the  
12 implementation of the contract?

13 A Primarily responsible, yes.

14 Q Did any other individuals or companies come to  
15 you and request the opportunity to provide services other  
16 than IBC?

17 A Oh, yes, lots of people.

18 Q How did you go about determining -- that's not  
19 a very clear question.

20 A I'll give you an unclear answer.

21 Q That won't do either of us any good.

22 You obviously reached the decision to continue  
23 on with the services of IBC during this time period as  
24 opposed to switching to other groups or allowing other  
25 groups to bid on the work. My question is, how did you

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1 arrive at what I assume was your decision in that regard.

2 A Well, there were other groups or other  
3 individuals that came to us offering their services.  
4 Some were hired.

5 Q Name some other groups that were hired to do  
6 services?

7 A Well, individuals. One that I know that has  
8 been mentioned is Mark Richards, who we thought had  
9 unique capabilities in press relations. Another one  
10 that's been in the press is Arturo Cruz, Jr., who in my  
11 opinion had a very unique perspective into the thinking  
12 of the Nicaraguan government at a particular point in  
13 time when he was a member of it -- people like that.

14 There were other individuals -- I forget their  
15 names -- people who wrote papers for us, for example, on  
16 a particular subject -- terrorism. There's a whole list  
17 of contractors. We had, by the way, a lot of people who  
18 came and frankly we did not like their proposals. Either  
19 they were things that we could already do in-house or we  
20 didn't think they were qualified or they were very  
21 expensive.

22 You know, people would come and say I can win  
23 the war for you in Central America if you give me a \$2  
24 million contract. You know, obviously they weren't  
25 serious. I'm using that as a humorous statement.

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1 Q I understand.

2 A That's it.

3 MR. SMILJANICH: Off the record for a second.

4 (A discussion was held off the record.)

5 MR. SMILJANICH: On the record.

6 BY MR. SMILJANICH: (Resuming)

7 Q Mr. Ambassador, we just had a discussion off  
8 the record about how much the total amounts of the  
9 contracts were for both IBC and Mr. Gomez. Would you  
10 agree that as a very approximate ballpark figure \$400,000  
11 as a total contract amount sounds about right?

12 A It sounds about right.

13 Q We're putting Mr. Gomez and IBC together as  
14 one group, although I realize that technically we're  
15 dealing with a corporation as opposed to an individual,  
16 but putting them together. Was there any other company  
17 that had a similar amount, a similar contractual amount  
18 as IBC and Mr. Gomez?

19 A No.

20 Q Understanding you don't have any records in  
21 front of you to specifically refresh your recollection,  
22 can you think of who would have been the second in terms  
23 of the total amount of contracts?

24 A No, I don't.

25 Q Can you think of an approximate ballpark

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1 amount of what the second-largest collection of contracts  
2 would be?

3 A I would say it probably would have been Mark  
4 Richards.

5 Q And approximately how much was the value of  
6 his contract?

7 A I don't remember.

8 Q Less than \$100,000?

9 A Well, he worked for us as a contractor for  
10 over two years. He might have gotten ---

11 MR. TUOHY: You don't want to speculate. Do  
12 you know?

13 THE WITNESS: No.

14 BY MR. SMILJANICH: (Resuming)

15 Q If you know. So it would be fair to say that  
16 IBC, even excluding Mr. Gomez, that IBC was the largest  
17 contractor for LPD during your tenure?

18 A Yes. It appears that way.

19 Q Do you recall how and when the subject of  
20 security clearances ever came up in connection with IBC?

21 A Yes.

22 Q Tell me about it.

23 A I've tried to reconstruct this. I knew your  
24 would be interested in it. First of all, Frank Gomez had  
25 been handling, let's say dealing, with defectors for us,

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1 taking them around, for a long time. But sometime in the  
2 summer of 1985 we started getting

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Q Okay. Stop. Let's go off the record a  
second.

(A discussion was held off the record.)

THE WITNESS:

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1 Jonathan Miller had left, who had been the COTR for most  
2 of the IBC contracts.

3 In Jonathan Miller's absence --

4 MR. TUOHEY: Can we step outside for just a  
5 second?

6 (Witness conferring with counsel.)

7 MR. TUOHEY: I just want to explain something,  
8 and this can be on the record. One of the confusing  
9 aspects of this period of time, which the Ambassador will  
10 explain in some detail and you can ask him anything you  
11 want about it, I just want to make sure the record is  
12 clear because none of us know where this transcript is  
13 going when it leaves this room.

14 MR. SMILJANICH: I can answer that.

15 MR. TUOHEY: Eventually. The Ambassador is  
16 going to explain that at the time these conversations and  
17 the ultimate decision to tell Gomez to handle this matter  
18 was taken care of, there was a contract proposal on the  
19 table not yet approved. It's the contract which is later  
20 classified as Secret, which I'm sure you are going to ask  
21 questions about. But that's on the table and, as the  
22 Ambassador will explain and I just want clear on the  
23 record, in the time sequence, at the time the decision  
24 was made to allow Mr. Gomez or his entity to handle this  
25 matter, thereby committing funds of the Department of

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1 State, the contract proposal on the table to handle just  
2 such a situation, defectors, the decision was made to go  
3 ahead and have Mr. Gomez handle it, even though the  
4 contract was not approved.

5 The Ambassador will tell you he did it on the  
6 advice of others. But that's the sequence we're in.  
7 It's a very confusing time and I just want that clear.  
8 I'm not trying to testify in his behalf. He will explain  
9 it in detail, but I just want you to understand the  
10 period.

11 BY MR. SMILJANICH: (Resuming)

12 Q I appreciate that and I think, you know, the  
13 Ambassador, as he goes through the narrative, you know,  
14 he's approaching this, which is frankly what I would  
15 like, a general narrative approach to this. If you want  
16 to explain the context or I would assume you would want  
17 to talk about some of the matters your counsel just  
18 referred to, please go ahead.

19 I just want to get your overall story about  
20 this.

21 A What I started to tell you was that when  
22 Jonathan Miller had been the COTR, had left the office,  
23 let's say September 85 -- ~~the~~ Labor Day, is what I mentioned  
24 earlier, around that time -- the position was vacant.  
25 The second Deputy position was vacant. I asked a

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1 detailed, one of my detailees from the Defense  
2 Department, an Air Force Lieutenant Colonel, to help me  
3 deal with the necessary in the management of contracts  
4 in general.

5 Q Please give me his name.

6       A. Yes, Jacobowitz - actually David, but we  
7       never called him David. Colonel Jacobowitz, therefore,  
8       started dealing with the contracting office on what  
9       became the final JSC contract. What else?

10 Q Go ahead.

12 A Okay. Sometime in the fall of '85, sometime  
13 after September -- I believe October or November -- and  
14 this has all been reminded to me, you know, because of  
15 all the various questions I've been asked by different  
16 people -- Jacobowitz came to me and said somebody  
17 suggests -- and who the "somebody" is is not clear in my  
18 head, if he ever told me -- it has been suggested that  
19 this contract be classified because of the handling of  
20 defense.

21 Q And again this conversation with Mr.

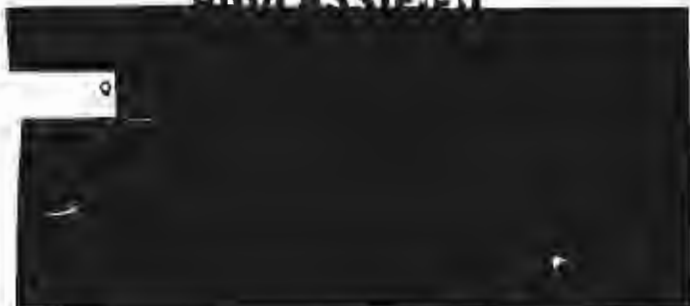
22 Jacobowitz is in approximate year 4130, from?

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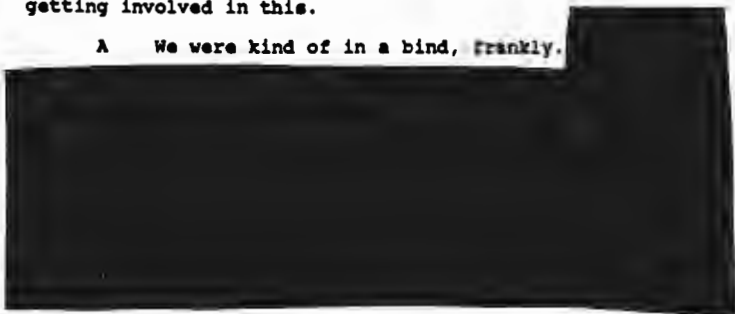
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Q I think, as I recall, that's kind of where you left off the story, and, as I say, you can tell it in any fashion you want to, but I want to make sure we get back to that because we haven't gotten yet to Mr. Gomez getting involved in this.

A We were kind of in a bind, frankly.




The seventh floor tells me it's your problem, you handle it. Someone suggested -- I'm not even sure, frankly, that it was my idea; it was probably somebody on my staff -- let Frank handle it. Frank has proven himself very capable of handling defectors, and he did. He spoke the language as a native. He knew the region.

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1 He was very good at dealing with people, with those kind  
2 of people under stress. 

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12 Q This is what your counsel was referring to,  
13 the fact that there was at this same time the process of  
14 negotiating and entering into a new contract?

15 A That's right. That's correct, which was not  
16 at that time classified, because we had never classified  
17 it before. But because of the concern which we had  
18 always had 

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1 Q Was there a primary source of this information  
2 from the Agency? Was it [REDACTED]

3 A I don't think it was [REDACTED] himself. It  
4 was people under him.

5 Q Go ahead.

6 A So they said something to the effect of get  
7 ready and, frankly, I thought well, this is good because  
8 these people are resources and they will prove that what  
9 the Administration is saying is true about Soviet-Cuban  
10 presence in Nicaragua or human rights violations [REDACTED]

11 [REDACTED]  
12 or the other elements of the lines of  
13 arguments we were following.

14 So I said, great, let the defectors come. But  
15 it concerned me, of course, a great deal that the  
16 Sandinistas were also aware of this and the damage that  
17 was being done to their government by the statements of  
18 these defectors and were perfectly capable of killing  
19 them, as in effect they had killed a lot of people.

20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]  
24 [REDACTED]  
25 We had no money. I mean, I couldn't

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1 go up to SSEX and say, hey, I need money for a coat.  
2 They would say, that's not in the budget.

3 [REDACTED]  
4 [REDACTED]  
5 And I think that's a disgrace, frankly -- the  
6 fact that the most powerful country in the world is not  
7 prepared to deal with the people who trust their lives to  
8 us, and it doesn't surprise me at all what happened with  
9 Yurchenko, the Soviet defector, who went back. He  
10 figured, you know, these guys are so disorganized I don't  
11 want to be associated with them.

12 MR. TUOHY: You were talking about the  
13 process by which the decision was made to classify it.

14 THE WITNESS: When, I believe, Jake came to me  
15 -- I say "believe" because to the best of my recollection  
16 he was the one who came to me, and, by the way, he has  
17 told me that that's what he also believes -- and said  
18 this should be classified, I said fine, go get it  
19 classified.

20 BY MR. SMILJANICH: (Resuming)

21 Q Okay. Now the fact that you were going to  
22 contract with IBC for services that included handling of  
23 defectors was something that was already on the table at  
24 the time this particular subject came up about this  
25 particular defector; is that right?

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1 A Yes. And they had already done it before.

2 Q And they had already done it before in the  
3 previous contract?

4 A Yes.

5 Q Now in the middle of your story you said you  
6 wanted to add something.

7 A [REDACTED]  
8 [REDACTED] we have no kitty. Maybe that  
9 shouldn't even be in here, because I think it's so  
10 embarrassing to the United States that it would  
11 discourage future defectors. If I was a potential  
12 defector, I would think twice.

13 Q We'll worry about that.

14 The previous defectors that Gomez and IBC had  
15 helped you out with, the problem with regard to security  
16 clearances hadn't come up in connection with those  
17 services?

18 A No.

19 Q During these discussions you have just related  
20 leading up to a decision to classify this contract was  
21 there any discussion, to your recollection, with anyone  
22 about the relationship between the classification of the  
23 contract and the requirement to go outside of a sole  
24 source approach to this matter?

25 A Not to my recollection.

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1 Q Specifically, for example, were there any  
2 discussions that in order to issue another sole source  
3 contract the matter had to be classified?

4 A No.

5 Q Nobody brought that up with you?

6 A Not that I can remember.

7 Q Now this last contract -- and I'm not even  
8 sure I have it; I don't think I have it with me -- this  
9 last contract with IBC -- and it was the last contract  
10 with IBC, wasn't it, that we're talking about?

11 A That's right, the \$276,000.

12 Q That would have run from approximately when to  
13 approximately when?

14 A Fiscal year '86, so October 1, '85-September  
15 30, '86, I believe.

16 Q Now there's evidence -- first of all, was the  
17 contract signed in '85 for fiscal year '86? Was there a  
18 signed contract?

19 A My understanding, after the fact, is that the  
20 contract was signed in August of '86.

21 Q Now why was there a gap between the  
22 preparation of the contract and the actual signing of it?

23 A Well, here I have a lot of problems answering  
24 because I left the office in January of '86, when the  
25 contract was still being negotiated, and it was not

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1 signed for several months later.

2 Q Was IBC performing services from October '85  
3 to the time you left in January '86 pursuant to that  
4 contract?

5 A It appears that they were. It appears that  
6 they were performing services in anticipation of the  
7 signing of that contract.

8 Q And do you know what it was that was taking  
9 place during the time frame of September-October of '85  
10 to January of '86 that prevented there being a final  
11 signed contract? What was going on?

12 A What I was told was -- and I asked -- was that  
13 there were a lot of bureaucracy problems. I didn't deal  
14 personally directly, as I said, with the contracting  
15 office or any other office. This was a very busy time  
16 and we're dealing with a lot of different issues, and  
17 this was only one. I'd say it was maybe one percent, two  
18 percent of what took up my time.

19 But Jake Jacobowitz would keep coming back to  
20 me saying well, now we need another piece of paper, and  
21 now they need this and now they need a site security  
22 clearance, now they need this.

23 Q Who is "they"?

24 A Well, "they" would be different. See, "they"  
25 was anybody outside our office practically because we

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1       dealt with a lot of different people, different offices  
2       and different individuals. I mean, there was so much  
3       turnover. One day we'd be dealing with the contracting  
4       officer, with one person, and the next day it could be  
5       somebody else. So I didn't even bother to learn the  
6       names, except, you know, the supervisors.

7               Q     But the entity dealing with the negotiations  
8       or working up this contract was the contracting officer  
9       entity outside your LPD staff; is that right?

10              A     Among others.

11              Q     Among who else?

12              A     Well, this is what I'm not clear, because  
13       "they", as I say, "they" included the contracting  
14       officer. At times it included the legal people.  
15       Sometimes it included security people. At one point the  
16       Office of Security had to be involved because we were  
17       told or they told us -- "they" being I don't know which  
18       one of those entities -- told us that IBC was going to  
19       need a site security clearance if they were going to have  
20       -- if the contract was going to be classified.

21                    So "they" referred to a lot of different  
22       people. And Jake Jacobowitz or his predecessors and  
23       successors were the ones who dealt with "them".

24              Q     And his predecessor was Jonathan Miller?

25              A     No. Yes and no. His predecessor --

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1 Q On this subject.

2 A Well, his predecessor -- that is to say, the  
3 liaison officer with IBC -- was Jonathan Miller. But not  
4 his predecessor as liaison with the contracting office.  
5 What happened was our administrative officer, Frank  
6 Gardner, who was one of a whole series of administrative  
7 officers we had in a short period of time, left the  
8 office about the same time Jonathan Miller did. He  
9 retired after many years, after 40 years.

10 It was a coincidence. So I had a double-bind.  
11 Not only did I lose my contracting office technical  
12 representative, I lost my administrative officer just  
13 about within weeks or days of each other. And Jake  
14 Jacobowitz frankly ended up with both of those  
15 responsibilities dumped on him, willingly. I mean, he  
16 volunteered. I'm not saying that I chained him and said  
17 you have to do this. He was willing to do it because he  
18 knew the job had to get done, and I don't think anybody  
19 anticipated having this many problems.

20 We thought it was a matter of getting all of  
21 the proper forms signed, all the proper procedures, and  
22 eventually, like all the other contracts, this one would  
23 also be signed.

24 Q To your knowledge was there any other fact --

25 A Can I add something on the administrative

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1 officer business?

2 Q Please do.

3 A I think it's important -- and I'm not trying  
4 to dump on the State Department, but since I'm here and  
5 this is not the normal position of an Ambassador of  
6 having to come and explain all these things -- when the  
7 office was created I did not know what it was going to  
8 turn out to be like. As I said, I was the only person in  
9 the office for a while, and then people started coming.  
10 It started growing. It started becoming more and more a  
11 source of information that people turned to.

12 And without blowing our own horn, it got to  
13 the point where the President of the United States, the  
14 Secretary of State, the National Security Advisor,  
15 Cabinet officials and lots of other people relied on our  
16 information and used it verbatim. I mean, it was that  
17 good. My principal concern, frankly, was the credibility  
18 of our product. That's what I spent most of my time on.

19 I'm not a contracting officer. I'm not a  
20 lawyer. I couldn't possibly substitute for the people I  
21 thought were supporting us, you know, our principal job,  
22 which was to get information out that was credible and  
23 that was accurate, et cetera.

24 So at a point when the office started growing  
25 -- I think late '83 -- I said I can't handle all of this

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1 administrative stuff. I need an administrative officer  
2 in the office as part of the staff. We had not  
3 anticipated this because this was a brand new office, the  
4 only Office of Public Diplomacy that has ever existed,  
5 had ever existed until a couple of years after that. And  
6 there were so administrative requirements in our office -  
7 - I mean, even things like they'd ask me, for example,  
8 for job descriptions for each one of the people. I said  
9 I don't have time to write up job descriptions.

10 They asked me to draw an administrative, a  
11 diagram of where everybody fit.

12 Q An organization chart?

13 A An organizational chart and all these things.  
14 I said who's going to do the public diplomacy job while I  
15 do this kind of thing? So I said, listen, please give me  
16 as one of the detailees from somewhere, give me somebody  
17 who's knowledgeable in administration. State couldn't  
18 come up with one. AID came up with Matthew Friedman. In  
19 other words, what I did was I would call the four  
20 agencies that I had been told would support me, and the  
21 first one that came up with some administrative support  
22 was AID, so Matthew Friedman came.

23 Unfortunately for Matthew Friedman and for us,  
24 he also didn't know State Department administrative  
25 procedure because he was a political appointee who had

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1       done some administrative work at AID and who volunteered  
2       to do it for us, and who was very bright and picked up  
3       very quickly, but then he left sometime in, around Labor  
4       Day of '84 as opposed to -- I don't know why people  
5       decide to leave around Labor Day, but it's a logical time  
6       at the end of the summer.

7               We were without administrative support -- I  
8       would say I would have to go back and look at the records  
9       -- but I would say for at least half the time that the  
10      office was in operation and I was the director of it.  
11      That is not conducive to good management. I asked  
12      repeatedly for and I begged, I pleaded, for an  
13      administrative officer to be assigned to the office  
14      precisely so we would avoid contract problems.

15             We were contracting out for services. We were  
16      swamped with requests for this, that, and we didn't have  
17      anybody in house who could do it. The support we were  
18      getting from SSEX, which was the office that I was told  
19      would support us, was not adequate and, in fairness to  
20      them, they never expected that they would have to support  
21      us. They also had the Office of the Special Envoy, the  
22      Kissinger Commission, all these other offices were  
23      created just for Latin America, in addition to all the  
24      other offices that they had to support for the rest of  
25      the world that were just created. They were swamped.

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1 Eventually I got a State Department  
2 administrative officer. I don't even remember who he was  
3 at the time. We had a series of very short-term people.  
4 We had a young lady who all of a sudden got assigned to  
5 Rome, so she left, so we were vacant. We had a young  
6 man, very bright, who got a job in INR. Brent Blasky was  
7 his name. If we could have kept him we probably wouldn't  
8 have had any problems at all, because he knew the system.

9 There were long periods of vacancies. This  
10 was one of the periods of vacancies -- as a matter of  
11 fact, three months.

12 Q It sounds like you had an easy go of it. Was  
13 there, to your knowledge, any other factor other than  
14 what you have described involved in the decision to  
15 classify the final IBC contract?

16 A Not to my knowledge or not to my recollection.

17 Q Did anyone -- I apologize; I think I asked you  
18 this in connection with Mr. Gomez, but let me ask you  
19 about IBC, and particularly, specifically, the final  
20 contract with IBC -- did anyone other than IBC which  
21 would have wanted to have a contract, did anyone other  
22 than IBC come to you or bring any information to you  
23 asking that IBC be allowed to have another contract for  
24 fiscal year 1986?

25 A No, not that I can remember.

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1           Q     Let me just ask the general question. Did  
2     Oliver North, Lieutenant Colonel North, have any  
3     involvement at all in any of the discussions about  
4     security clearances or the contracting for services with  
5     IBC, to your recollection and knowledge?

6           A     I have been trying to think. I anticipated  
7     that question, and it is possible that he may have asked  
8     me about it once very late, but I'm not even sure of  
9     that, and that would not have surprised me because people  
10    knew that Gomez particularly was doing work for us and  
11    had done a good job.

12                But the reason I say I can't remember is  
13    because a number of people were aware of the IBC-Gomez  
14    relationship at the NSC, people who had a need to know  
15    and who knew about it and who were satisfied. And they  
16    may have asked about it as well, like what's happening or  
17    what's Frank Gomez up to and that kind of thing, but it  
18    would have been that kind of an inquiry, not any pressure  
19    or anything like that.

20           Q     Did you have any belief or even a suspicion  
21    that Colonel North had a connection with or reason to  
22    wish that IBC or its people would get a contract with the  
23    State Department?

24           A     I had only one occasion where I very late,  
25    right before leaving for Venezuela, during my

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1 consultations long after leaving the S/LPD, when I was at  
2 the National Security Council in the Old Executive Office  
3 Building, and I happened to walk into North's office --

4 Q Excuse me for interrupting. Are you talking  
5 about when you were Ambassador?

6 A I was Ambassador-designate. I can't remember  
7 the date, but I would think it would have been April or  
8 May already, right before I left. I was sworn in May 12  
9 and left May 16, so it would have been before that. I  
10 walked into North's office unannounced and saw Miller and  
11 ~~Seems walking out~~. But, once again, you know, at that  
12 time I didn't give it much thought because they were  
13 sources of information for us on Central America.

14 Everybody knew that Ollie North was working on  
15 Central America. It seemed like a logical connection.

16 Q Now I've gotten confused here. You said this  
17 would have been approximately April or May of '86?

18 A Right, right before I left.

19 Q I thought that you were originally told you  
20 were going to become Ambassador or designated Ambassador  
21 in late '85 and it was January of '86 that you were  
22 confirmed?

23 A That's correct -- no, no, that I was  
24 announced. See, what happened -- can I give you the  
25 chronology?

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1 Q Please, go ahead.

2 A I knew in approximately May '85 --

3 Q '85?

4 A '85, yes. This took a long time. It took a  
5 year. May '85 was my first conversation with Secretary  
6 Shultz and the White House about Venezuela. It took a  
7 long time for them to make up their minds, et cetera, et  
8 cetera. In August '85 President Reagan signed the  
9 internal memorandum that said my choice is Otto Reich,  
10 but check him out or whatever it is they do. I never saw  
11 the memorandum. The FBI clearance then starts and all  
12 that.

13 December '85 -- it took four months, and part  
14 of the problem was we had the Geneva summit with  
15 Gorbachev and that paralyzed -- that slowed down the  
16 Executive branch, and in December '85 the President then  
17 called me and said, you know, I want you to be Ambassador  
18 to Venezuela. It took another month, however, for the  
19 public announcement and transmittal of the papers to the  
20 Senate.

21 I didn't think that I should leave my office  
22 until the public announcement. But, for your  
23 information, I was preparing myself to be Ambassador to  
24 Venezuela from even before the time the President signed  
25 the memorandum in August. I was reading Venezuelan

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1 history books and economics and stuff and trying to run  
2 the office. So January of '86, when the announcement was  
3 made, I then by memorandum informed everyone in the  
4 Department that I was no longer the coordinator.

5 I wrote a memo to my staff saying the  
6 President has appointed me, as you know. I mean, I had  
7 told them before. And said some nice things about them,  
8 et cetera, et cetera, and said John Blacken will be  
9 Acting Coordinator until a new coordinator is appointed  
10 by the Secretary, the President, whoever.

11 So from January of '86 to May of '86 I  
12 concentrated on my confirmation hearings and getting out  
13 of here. It takes a while. During that time I visited  
14 people in the Executive Branch -- Commerce Department,  
15 Treasury, everybody that would have something to do with  
16 my Venezuela assignment. During one of those visits to  
17 the NSC is when I happened to see these guys come out of  
18 Ollie's office.

19 Q Were you there to see North?

20 A No, I didn't have an appointment with him that  
21 I recall because, frankly, he wasn't going to have  
22 anything to do with Venezuela that I knew of. But I  
23 always used to drop by and say hello to Fawn, you know.  
24 She was a friend. Poor Fawn. She's gotten a bad rap and  
25 doesn't deserve it.

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1 Q I don't feel so sorry for her. She's gotten  
2 some nice publicity.

3 MR. OLIVER: She's also got immunity.

4 THE WITNESS: So the best of my recollection -  
5 - and, as I said, it was not the kind of thing that would  
6 have stuck in my mind. So it's vague, but it's around  
7 that time, I would say.

8 BY MR. SMILJANICH: (Resuming)

9 Q Now during that time period of getting  
10 prepared to be confirmed as Ambassador to Venezuela, one  
11 of the things you were doing was starting to get familiar  
12 with the cable traffic to and from Venezuela?

13 A Yes. I started reading cable traffic.

14 Q When did you start that process?

15 A I believe I started reading cable traffic -- I  
16 believe I started reading cable traffic in the fall of  
17 '85. Wait a second. I must have because in January of  
18 '85 I said I don't want to see another cable about  
19 Central America that doesn't have to do with Venezuela.

20 MR. TUOHEY: '85 or '86?

21 THE WITNESS: '86, when I was officially  
22 nominated, because I wanted everybody -- I knew what was  
23 going to happen. People were going to still come to me  
24 and say could you do this, could you do that, and I was  
25 going to say no, I'm sorry.

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1 BY MR. SMILJANICH: (Resuming)

2 Q But you think it was prior to January of '86  
3 that you started reading the traffic?

4 A Yes. I'm almost definite. Yes. As I said, I  
5 started to get ready for Venezuela in about August of  
6 '86, and I started reading cable traffic.

7 MR. TUOHY: August of '85, you mean.

8 THE WITNESS: August of '85.

9 BY MR. SMILJANICH: (Resuming)

10 Q Who was the prior Ambassador to Venezuela?

11 A George Landau -- L-a-n-d-a-u.

12 Q Was there a hiatus between his leaving and  
13 your coming?

14 A Eleven months.

15 Q Who was the DCM during that period?

16 A The Charge, Kim Fiewel, as in a post.

17 Q Okay. And that was an eleven-month period?

18 A That's correct -- June of '85 to May of '86 --  
19 incredibly long.

20 Q Kim is a neutral name.

21 A A man.

22 Q Were you involved at all in the process or  
23 discussions leading up to the switch of LPD from the  
24 Secretariat to ARA?

25 A Yes, I was.

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1                   Q    How did that come about?

2                   A    Well, I don't remember exactly, but it was  
3 something to the effect of somebody in the Secretariat --  
4 I believe it was Nick Platt, Nicholas Platt -- said we  
5 can't have, and he used a term which I objected to,  
6 growths and polyps attached to the office -- but it was  
7 descriptive -- attached to the Office of the Secretary  
8 because, he says, we just can't support them all. He was  
9 right.

10                   He was right from the administrative  
11 standpoint. I said if you remove the office from the  
12 Office of the Secretary, these public diplomacy  
13 operations, you're going to downgrade them in everybody's  
14 minds and they won't have the kind of political support  
15 from the other agencies that they need, detailees, et  
16 cetera.

17                   So there ensued a discussion of several months  
18 where the Deputy Secretary, John Whitehead, was involved  
19 as to what do we do with these offices. By that time the  
20 South Africa Bureau had started one based on what was  
21 then called the extremely successful example of the  
22 Office of Public Diplomacy for Latin America and the  
23 Caribbean. I'm going to keep that clipping. And there  
24 were several options considered -- for example, attaching  
25 them to the Bureau of Public Affairs, creating or

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1       attaching them to the regional bureaus, a lot of  
2       different things which I don't remember.

3               But what was finally decided -- and I think it  
4       was decided during the period between January and May of  
5       '86 -- was to attach S/LPD to ARA and we became ARA/LPD.

6               Q     Now at that time Elliott Abrams was Assistant  
7       Secretary of ARA.

8               A     That is correct.

9               Q     Did you have any discussions with him about  
10      the fact that ARA didn't want LPD transferred over there?

11              A     Oh, sure, yes.

12              Q     What were the reasons he gave you?

13              A     Oh, he agreed with me, for example. Budget  
14      was one reason. By that time our office had a budget of  
15      something like \$750,000 -- I don't remember -- and the  
16      staff. I was concerned that the budgetary constraints  
17      being what they are if the budget was transferred from  
18      the Secretary, which is a very high priority, to a  
19      regional bureau that the office would eventually shrink.

20              I thought, frankly, we had broken ground. I  
21      thought we had done something that the U. S. Government  
22      should do more of, and that is to talk directly to the  
23      American people, to communicate with the American people,  
24      to produce information. I was very upset with, and I  
25      communicated this to my superiors back in '81, '82, '83,

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1       which is why I got the job, that so many of our officials  
2       would go to the Congress and be asked something about  
3       Central America and say sorry, I can't share that with  
4       you because it's classified information.

5               Now it's true, and everybody who has a  
6       clearance knows, that there are sources and methods to be  
7       protected, but I also knew that with a concerted effort,  
8       with a lot of work, and with some high priority that you  
9       could get the intelligence community to declassify and  
10      you could also go out to the unclassified world and  
11      gather information that would support what we already had  
12      but that was classified.

13             MR. TUOHEY: The question, though -- we're  
14      getting off the question -- is did you agree with Abrams  
15      and, if so, why?

16             THE WITNESS: Yes, I agreed because I thought  
17      the office would be downgraded by virtue of the budget  
18      and the positions that eventually the Bureau would have  
19      to absorb. The ARA Bureau would have to absorb the  
20      budget and the positions and it would atrophy.

21             BY MR. SMILJANICH: (Resuming)

22             Q     Getting back to one of the initial topics we  
23      discussed -- that is, the overall objectives of the  
24      Office of Public Diplomacy -- and I hope that this isn't  
25      too much of a loaded question and tell me if it is -- was

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1 part of your objective during this time frame -- as you  
2 know, we're talking about right in the middle of the  
3 severest form of the Boland Amendment, complete cutoff of  
4 funds, was part of your overall objective or job to try  
5 to get Congress to change its mind about that matter and  
6 to start funding?

7 A It was to support the Administration's  
8 request.

9 Q To get Congress to fund further in that area?

10 A Yes.

11 MR. SMILJANICH: Okay. Off the record.

12 (A brief recess was taken.)

13 MR. SMILJANICH: On the record.

14 BY MR. SMILJANICH: (Resuming)

15 Q I was going to move on to Venezuela, but let  
16 me back up for a second. You have described one occasion  
17 in which you happened to be over where North's office was  
18 at the Old Executive Office Building and saw Gomez and, I  
19 believe, Richard Miller, I think you said, there. What  
20 happened in that connection? Did you all then have a  
21 general discussion?

22 A I was in the building. I stuck my head in  
23 like I always used to stick my head in to a lot of people  
24 if I happened to walk by their office, and they were  
25 walking out, and I said what are you guys doing,

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1 something to that effect. And whatever it was that was  
2 said I don't remember.

3 Q Were you ever at a meeting in which Lieutenant  
4 Colonel North and -- let's start with Frank Gomez --  
5 Lieutenant Colonel North and Frank Gomez were both in  
6 attendance?

7 A No, not that I can recall ever, a meeting of  
8 that kind.

9 Q Were you ever at a meeting in which Oliver  
10 North and Richard Miller were in attendance at the same  
11 time?

12 A No. I just want to explain that I attended a  
13 lot of meetings. Some of them were very large meetings.  
14 They may have been in the same room, but I do not ever  
15 recall seeing them in the same room.

16 Q I want to be fair. I'm not talking about a  
17 group of 100 people and maybe the two of them were there.  
18 I mean a meeting of a smaller group, let's say five or  
19 less.

20 A No.

21 Q Or ten or less.

22 The Committee has had access to the calendar  
23 of Lieutenant Colonel North and there are a few occasions  
24 in which he shows reflected on his calendar an  
25 appointment or a meeting -- of course, you can't tell if

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1 this is before the fact or after the fact -- an entry of  
2 meetings in which it shows Otto Reich, Richard Miller,  
3 Frank Gomez.

4 A Together?

5 Q Yes. As an example, a date which he shows on  
6 his calendar -- Reich, Gomez, Miller. Now maybe Miller  
7 is Jonathan Miller on occasions, but that shows up on his  
8 calendar. Let me make that representation to you and  
9 just ask you if you can recall any occasions where that  
10 took place. I know I've already asked you, but given  
11 that information is there any further recollection you  
12 have of any such meetings?

13 A No.

14 MR. TUOHY: Do you have the calendar and we  
15 could pinpoint the date?

16 MR. SMILJANICH: As a matter of fact, Spencer  
17 has a summary of the dates and he can give you some  
18 specific ones.

19 THE WITNESS: You mean there's more than one?

20 MR. OLIVER: These are dates when you appear  
21 on his calendar. I don't know who else is in the  
22 meetings during those times.

23 THE WITNESS: I would probably appear on his  
24 calendar.

25 BY MR. SMILJANICH: (Resuming)

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1           Q    Let me make it clear my questions were not  
2 just every time you met with Colonel North. I'm talking  
3 about combining it with these other people, and I think  
4 there are a few we can pinpoint.

5           MR. OLIVER: You want me just to read these?  
6 I have the actual calendar. February 11, 1985.

7           BY MR. SMILJANICH: (Resuming)

8           Q    February 11, 1985, at 1530 we show a meeting  
9 with Raymond, Reich, Miller and Gomez, and again Miller  
10 is not necessarily Richard Miller.

11          A    Probably wouldn't have been Richard Miller.

12          MR. OLIVER: We show on June 5 at noon lunch  
13 with Rich Miller, Frank Gomez, Jonathan Miller and Otto  
14 Reich at the IBC office.

15          MR. TUOHEY: June 5, '85?

16          THE WITNESS: I remember that.

17          MR. OLIVER: We show on January 27, 1986,  
18 lunch with you at the State Department.

19          THE WITNESS: Right. I took him out to lunch.

20          MR. OLIVER: Were Rich Miller and Jonathan  
21 Miller at that lunch?

22          THE WITNESS: No, neither Miller. It was  
23 Ollie and myself.

24          MR. TUOHEY: Does the calendar reflect  
25 otherwise?

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1                   MR. OLIVER: It's confusing whether there was  
2                   a meeting with Rich Miller which may have been just  
3                   before the lunch.

4                   THE WITNESS: He was not at the lunch.

5                   MR. OLIVER: That's what I have on the  
6                   calendar. I've got Ollie's notes here that have a number  
7                   of reflections.

8                   BY MR. SMILJANICH: (Resuming)

9                   Q     So what we end up with here is --

10                  MR. TUOHEY: Two definitely.

11                  THE WITNESS: Lunch I can tell you for sure.

12                  MR. TUOHEY: February 11, '85 and 3:30 --  
13                  Raymond, Reich, Miller, Gomez -- June 5, '85, in the IBC  
14                  office -- North, Miller, Reich, Gomez for lunch is what  
15                  was on the calendar.

16                  MR. OLIVER: Right. There's another one here.

17                  MR. SMILJANICH: I remember this now. Well,  
18                  I'll show it to him.

19                  (Document handed to the witness.)

20                  THE WITNESS: Yes. I remember this.

21                  MR. TUOHEY: Is there any date on this?

22                  MR. SMILJANICH: No, there's no date.

23                  BY MR. SMILJANICH: (Resuming)

24                  Q     Okay. Let's approach each one one at a time.  
25                  First of all, you recall the lunch. Tell us about that.

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1           A     To the best of my recollection, Ollie never  
2 showed up, which was not unusual. So I wouldn't have  
3 remembered him -- at the IBC lunch. And, once again,  
4 it's one of those things which is vague, but I remember  
5 we waited and waited and everybody got hungry and we  
6 decided Ollie is not going to come, and so we ate without  
7 Ollie and he never showed up, to the best of my  
8 recollection.

9           That must be the same lunch where I had John  
10 Scafe go with me because I didn't want to go. I think  
11 Jonathan Miller used to go to those meetings, being Mr.  
12 Outside. Since Frank Gomez was going to be involved, I  
13 thought John Scafe would be a logical person to go  
14 because Miller couldn't go for some reason -- although,  
15 is Miller in on the lunch?

16           MR. OLIVER: Yes.

17           THE WITNESS: Maybe Scafe went in place of  
18 Miller. I don't remember that one, but I don't recall  
19 ever having lunch with Ollie North at IBC.

20           BY MR. SMILJANICH: (Resuming)

21           Q     Do you recall why Ollie North would have been  
22 invited to that lunch?

23           A     No, I don't. He was not invited by us. We  
24 were not hosting the lunch.

25           Q     Okay. We have 2/11/85. Let's start with

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1 2/11/85 at 3:30 in the afternoon -- Raymond, yourself,  
2 Miller and Gomez.

3 A I have no recollection of that. Now Walt  
4 Raymond I met with all the time, and Ollie North I met  
5 with all the time. Miller in that case probably would  
6 have been Jonathan because, as I said, I don't remember,  
7 other than the time when I saw Rich Miller coming out, I  
8 don't remember seeing him at any other meeting. But I  
9 just have no recollection.

10 Q Okay. Then June 5, '85.

11 A Isn't that the lunch?

12 MR. TUOHEY: That's the one we just talked  
13 about.

14 MR. OLIVER: We have two separate lunches. We  
15 have lunch -- I'm sorry. That's Jonathan Miller. This is  
16 Rich Miller. Frank Gomez, Jonathan Miller and Otto Reich  
17 at the IBC office, June 5, 1985.

18 THE WITNESS: I remember having lunch there.  
19 I remember having lunch at the IBC offices, I believe  
20 twice -- twice, period. And so that must be one of those  
21 times. Now I don't remember Ollie North ever showing up  
22 at any one of those lunches.

23 BY MR. SMILJANICH: (Resuming)

24 Q So what we have, then, is one appointment that  
25 shows up on North's calendar for February 11 of '85 which

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1       you just have no recollection of.

2               A     Which may have taken place.

3               Q     And that wouldn't have been the one where you  
4       saw Rich Miller and Gomez coming out because that was  
5       much later, when you already knew you were going to  
6       Venezuela, right?

7               A     In '86, right.

8               Q     Okay. Now moving on to Venezuela, first of  
9       all, you've seen the press reports concerning alleged  
10      attempts by General Secord to receive some kind of  
11      assistance from the Embassy in Caracas to approach the  
12      Venezuelan Air Force for purchase of some C-123s.

13              A     I have seen them. I wish I could bring you  
14      the front page of every Venezuelan paper of that week,  
15      because that was the story.

16              Q     First of all, the time frame when this is  
17      supposed to have occurred is, as I recall, very late '85-  
18      early '86.

19              A     I don't know. All I know is what I've read in  
20      the paper, and it said fall of '85. Most of the stories  
21      I have read have said fall of '85.

22              Q     For your benefit, I've seen other documents in  
23      other matters connected with that, and I believe the time  
24      frame of these alleged events is the fall of '85 until  
25      early '86. First of all, you don't have any direct

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1 knowledge or information concerning any approach by  
2 General Secord or anybody on his behalf in connection  
3 with these purchases of C-123s?

4 A I do not.

5 Q Who is your DCM?

6 A Jeffrey Davidow.

7 Q Did Kim Flower leave as DCM when you became  
8 Ambassador?

9 A That's correct.

10 Q Have you at any time up to today talked with  
11 Kim Flower to determine whether or not he has any  
12 recollection of this event?

13 A Yes, I did.

14 Q And when did you talk with him?

15 A I talked to him on the phone about a couple of  
16 months ago.

17 Q Where is he now?

18 A National Security Council.

19 Q Detailed from State as a career Foreign  
20 Service Officer?

21 A That's correct.

22 Q What did he tell you he knew about it?

23 A He said he knew absolutely nothing about it  
24 and in fact I called him because I told him that this was  
25 a very big issue in the Venezuelan press, and we were

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1 getting all kinds of questions and, of course, the  
2 implications were that not only was the Embassy involved  
3 but the Venezuelan government was involved, and the  
4 headlines were written in a very inflammatory fashion.

5 And wanted to, frankly, put an end to the  
6 story that was damaging U.S.-Venezuelan relations. And  
7 he said I'm telling you you can tell them that I knew  
8 absolutely nothing. As far as I know, that never  
9 happened, or words to that effect.

10 Q Have you discussed this issue with any  
11 Venezuelans to determine whether or not they know  
12 anything about any such approach that may have bypassed  
13 the Embassy?

14 A Well, the Foreign Minister, and he said that  
15 they have absolutely no -- in fact, he made a public  
16 statement that the Venezuelan government was never  
17 approached.

18 Q Have you ever discussed this with anyone  
19 connected with the Venezuelan Air Force?

20 A No, I have not.

21 Q Has anyone on your behalf done that?

22 A No, I don't believe so.

23 Q You were requested -- by "you" I mean the  
24 State Department was requested to search its cables.

25 A That's correct.

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1 Q To determine whether or not anything shows up  
2 in the cable traffic about this, and I believe you sent a  
3 cable back to the Legal Advisor's office at State  
4 Department that you made a search.

5 A I was in Washington at the time and so Davidow  
6 sent it.

7 Q Your officer at the Embassy sent a cable  
8 stating that a search had been made and that no such  
9 cables could be found?

10 A That's what I'm told.

11 Q Okay. That's simple enough. Do you have --  
12 and these are relatively new allegations -- do you have  
13 any information or knowledge concerning any attempt by  
14 Oliver North or anyone else connected with the U.S.  
15 Government to



16  
17  
18 A I believe I have no knowledge  
19 whatever.

20 Q Have you heard those allegations?

21 A Only since I arrived in Washington. My desk  
22 officer told me.

23 Q Okay. Off the record.

24 (A discussion was held off the record.)

25 THE WITNESS: I know absolutely nothing.

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1 BY MR. SMILJANICH: (Resuming)

2 Q Let me turn it over to some other people with  
3 just two last quick questions. Did you ever have any  
4 dealings with Robert Owen?

5 A No. I met Robert Owen in Jonathan Miller's  
6 office, which was next to mine. I met him once or twice.

7 Q During the time Jonathan Miller was over at  
8 the NSC, did you have any knowledge during that time that  
9 he was assisting Lieutenant Colonel North in the  
10 disbursement of some traveler's checks that Lieutenant  
11 Colonel North was keeping and using to assist the  
12 Nicaraguan resistance?

13 A No. The first I ever heard of traveler's  
14 checks was when it came up in testimony.

15 Q Did you have any information that Jonathan  
16 Miller was involved in assisting Colonel North directly  
17 providing financial assistance to contra leaders?

18 A Well, first of all, I don't know that he has  
19 been.

20 Q I understand. Did you have any information?

21 A No, I do not.

22 Q One last thing. You mentioned earlier there  
23 was a contract that LPD had with Arturo Cruz, Jr. That  
24 was about a \$6,000 contract or so.

25 A Yes, right. I believe of which about only

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1 \$2,000 was paid.

2 Q Why was that?

3 A Because he didn't fulfill the terms of the  
4 contract.

5 Q The terms of the contract were he was supposed  
6 to prepare --

7 A Three papers, a series of three papers. I  
8 believe that the contract was for \$6,300. Each one of  
9 the installments would have been \$2,100, to be paid when  
10 completed. He only completed one.

11 Q Okay. Were you aware of any payments being  
12 made to Arturo Cruz, Jr. or his father, Arturo Cruz,  
13 [REDACTED] directly from Lieutenant  
14 Colonel North during the Boland Amendment restrictive  
15 period -- that is, subsequent to October of 1984?

16 A I believe that I became aware of payments to  
17 the father sometime after the story broke in the press.

18 Q You mean when it became public knowledge?

19 A When it became public knowledge, yes.

20 Q But contemporaneous with any such payments you  
21 had no information that Arturo Cruz, Sr., was receiving  
22 payments, one or more payments, directly from Lieutenant  
23 Colonel North?

24 A No, no, not from North. The story broke that  
25 he had received payments -- I think it was a Wall Street

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1 Journal story, because it was, I am told, a leak from the  
2 House Intelligence Committee.

3 MR. OLIVER: Who told you that?

4 THE WITNESS: I believe the source, the Wall  
5 Street Journal story sourced it to that source, or people  
6 who talked to that reporter said that, at least.  
7 Furthermore, that was the information that was  
8 circulating inside the Executive Branch at the time, that  
9 it was a leak from the House Intelligence Committee.

10 BY MR. SMILJANICH: (Resuming)

11 Q That what?

12 A That Cruz --

13 Q Senior?

14 [REDACTED]

15 [REDACTED]

16 Q And beyond that -- I think you've already  
17 answered this -- you had no specific information that he  
18 was receiving any payments directly from Lieutenant  
19 Colonel North [REDACTED]

20 A No, no. I did not.

21 Q Were you aware during the time frame of 1985,  
22 up until the time you left Venezuela that Robert Owen was  
23 working as a courier for Lieutenant Colonel North  
24 carrying money or intelligence to Central America?

25 A No, I did not.

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1 MR. SMILJANICH: That's all the questions I  
2 have.

3 BY MR. OLIVER:

4 Q Mr. Ambassador, I'd like to ask you about a  
5 few references to you on Oliver North's calendar and in  
6 his notes, as well as some questions relating to the IBC  
7 contract. First, could we enter this as an Exhibit into  
8 the record.

9 (The document referred to was  
10 marked Reich Exhibit Number 1  
11 for identification.)

12 A We never talked about this one.

13 Q That's what I'm going to ask you about.

14 Let the record indicate that we are referring  
15 to a National Security Council memorandum piece of paper  
16 with the names in the lefthand column of Oliver North,  
17 Nestor Sanchez, Frank Gomez, Rich Miller, Otto Reich,  
18 Walt Raymond, Jonathan Miller, Jeff Bell, Jack Abramoff.  
19 In the second column beside their names, in the same  
20 order indicating who they represent, are NSC, DOD, IBC,  
21 IBC, State, NSC, State, Citizens for America, Citizens  
22 for America. In the righthand column are their phone  
23 numbers.

24 And this appears to be a sign-in sheet of some  
25 kind. It should be marked as Exhibit 1.

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1                   Mr. Reich, I show you that piece of paper and  
2 ask you if you can recall that meeting and what the  
3 purpose of the meeting was and what transpired.

4                   A     I recall it now. I believe that we were  
5 invited to a meeting in the sit room, the situation room,  
6 I don't remember by whom, and in fact I think there's a  
7 name missing from here, and that's the man who was head  
8 of Citizens for America at the time, who ran for governor  
9 of New York.

10                  Q     Would that be Mr. Lou Lehrman?

11                  A     Yes, that's correct. I think he attended. I  
12 don't remember much about it except that we were told  
13 that Citizens for America wanted to make a presentation  
14 about what they were going to do to inform the American  
15 people about the situation in Central America, and  
16 obviously somebody got them the sit room in the White  
17 House.

18                         Usually when I was invited to a meeting at the  
19 White House I attended, unless I physically couldn't go.  
20 I went. We listened to the presentation, and that was  
21 it.

22                  Q     Why was someone from the Department of Defense  
23 at that meeting?

24                  A     I don't have any idea. You'd have to ask him.

25                  Q     Do you remember any reference to the

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1 Department of Defense or anything that that  
2 representative said about DOD's role in this?

3 A No, I don't. I'm not sure that any one of us  
4 said very much. As I said, from what I recall -- what  
5 was the date of this meeting?

6 Q I'm not sure. Do you remember?

7 A No. I mean, it's one of, I'm sure, hundreds  
8 of meetings that I attended. I have a vague  
9 recollection. I remember seeing Lou Lehrman over here  
10 and some of the other people around the table.

11 MR. SMILJANICH: Excuse me. It would be prior  
12 to September of '85, wouldn't it?

13 THE WITNESS: Oh, yes. Well, let me not say  
14 oh, yes, so quickly. I believe it probably would be  
15 prior to September.

16 MR. SMILJANICH: The reason I interjected that  
17 is because Jonathan Miller is shown.

18 THE WITNESS: Is shown at State, and the  
19 reason I say yes is because it's very vague in my mind  
20 and I think it was a while back. But when it would have  
21 been -- '84, '85 -- I don't know. So that's it.

22 BY MR. OLIVER: (Resuming)

23 Q Did you ever attend any other meetings with  
24 this group of people or a similar group of people  
25 regarding a project of this nature?

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1           A     I think I met with Jack Abramoff once more or  
2     an additional time. Nestor Sanchez, of course, I did  
3     attend meetings with. And Walt Raymond I attended weekly  
4     meetings with -- at least weekly. But this is an unusual  
5     combination of people. This may be the only time that  
6     this group of people ever got together -- may be the only  
7     time.

8           Q     Why were Rich Miller and Frank Gomez at that  
9     meeting?

10          A     I don't know. They were probably invited by  
11     someone -- by whoever put on the meeting.

12          Q     Do you have any knowledge that they had any  
13     relation to anyone else on that list other than you and  
14     Jonathan Miller?

15          A     No, I don't have any knowledge that they would  
16     have.

17          Q     Wouldn't it have been unusual for a contractor  
18     to you and Jonathan Miller to be at a meeting without  
19     your knowing why they were there?

20          A     Well, let's assume -- okay, I'm assuming --  
21     that Ollie, since his name is first on the list, is the  
22     one who organized the meeting. Obviously he's the only  
23     one who would be able to just quickly get the sit room,  
24     and I'm not even sure that it was quickly. Maybe this  
25     was planned three years in advance. I don't know.

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1                   What I'm saying is, let's say it was him.  
2                   North, as I said, was one of many people who knew that  
3                   IBC had a contract with the State Department, because the  
4                   contracts were not classified and because they used to go  
5                   around the Executive branch giving and picking up  
6                   information. It could be that he invited them, saying  
7                   well, these guys should hear what CFA has to say.

8                   MR. TUOHEY: I think the question is do you  
9                   know that or are you assuming that?

10                  THE WITNESS: I'm assuming. I don't know it.

11                  BY MR. OLIVER: (Resuming)

12                  Q    What was the project the Citizens for America  
13                  presented?

14                  A    I believe it was some kind of a television  
15                  campaign which, if my memory serves me, never got off the  
16                  ground. I remember walking out of the meeting saying  
17                  that is a very ambitious undertaking and I think that's  
18                  the last I ever heard of it.

19                  Q    You stated that you met Rich Miller when he  
20                  worked at AID in the Public Affairs Division.

21                  A    Right.

22                  Q    What was your role, if any, in bringing Frank  
23                  Gomez and Rich Miller together?

24                  A    None.

25                  Q    Do you know how they happened to come

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1 together?

2 A No, I don't.

3 Q Frank Gomez at the time that IBC, that the  
4 partnership was formed with Rich Miller, Frank Gomez was  
5 under contract to LPD, is that correct?

6 A To the best of my knowledge, that is correct.

7 Q Do you recall a phone call from Oliver North  
8 in August of 1984 to discuss arrangements for Frank  
9 Gomez?

10 A No, I don't. To me, a phone call to me?

11 Q Yes.

12 A No, I don't.

13 Q Do you ever recall discussing arrangements for  
14 Frank Gomez with Oliver North?

15 A I don't recall ever discussing Frank Gomez  
16 with Oliver North -- Frank Gomez's contracts with Oliver  
17 North.

18 Q Could I ask you how did the interaction  
19 between you and your deputy, Jonathan Miller, work? Did  
20 he report to you about what he was doing as Mr. Outside,  
21 as you described him earlier?

22 A Yes. We had a daily staff meeting which later  
23 became three times a week, and since we had a small  
24 office I gave everybody an opportunity. We went around  
25 the table and everybody informed everybody else what they

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1        were doing to avoid duplication. That was one way.

2                And the other. His office was next to mine.  
3        We had offices on two levels. John Blacken, who was the  
4        inside guy, was down with the bulk of the staff producing  
5        materials. I had a small office upstairs that had room  
6        for mine and, next to it, Jonathan, and two secretaries  
7        outside. So Jonathan would come in to my office and tell  
8        me what he was doing or I would go in there and ask him  
9        what he was doing.

10               But, you know, we were working 14 hours a day.  
11        If we were to inform each other what we were doing all  
12        the time, we would spend about half of those hours  
13        informing each other.

14               Q        Did he tell you of a luncheon he had at IBC  
15        with Oliver North, Rick Miller and Frank Gomez in early  
16        September of 1964?

17               A        I just don't remember if he did or not.

18               Q        Do you recall --

19               A        Just like he probably didn't tell me about  
20        hundreds of meetings he attended.

21               Q        Do you recall how the suggestion for an IBC  
22        contract first came to your attention?

23               A        An IBC contract?

24               Q        An IBC contract.

25               A        Well, as I told you, we had been dealing with

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1 Frank Gomez all along. We were satisfied with his  
2 performance. He came to us -- I believe he came to us  
3 and said I am now a corporation, or words to that effect,  
4 and he maybe even said, you know, because of this I will  
5 be able to give you better service or something faster, I  
6 have more capability, more secretaries or whatever. He  
7 was acting very much on his own, pretty much, to the best  
8 of my knowledge, pretty much on his own, and said the  
9 name of the corporation is International Business  
10 Communications, and that's it.

11 Q That first contract, the work period began  
12 October 1, 1984, a few weeks after the lunch between  
13 Jonathan Miller, Oliver North, Frank Gomez and Rich  
14 Miller. Were you aware of the interaction between Rich  
15 Miller and Frank Gomez and Oliver North from that time  
16 forward while you were director of LHM?

17 A No. Well, wait a minute. You said Rich  
18 Miller and Oliver North -- or Jonathan Miller?

19 Q Rich Miller, Frank Gomez, and Oliver North.

20 A No. Jonathan Miller, yes, but not Rich  
21 Miller. Let me add something.

22 MR. TUOHY: No.

23 BY MR. OLIVER: (Restating)

24 Q Oliver North's calendar -- I'm not referring  
25 to his notes or telephone messages -- shows at least 49

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1 meetings on his calendar with Rich Miller. Were you  
2 aware of the relationship between these two?

3 A No, I was not.

4 Q There is also quite a number of meetings  
5 between Oliver North and Frank Gomez. Were you aware of  
6 the frequency with which Oliver North was dealing with  
7 Frank Gomez?

8 A No, but that wouldn't surprise me as much as  
9 the Rich Miller since, as I said, Gomez had been dealing  
10 with us and everybody knew it.

11 Can I ask you when most of those dates are --  
12 those 40-some meetings?

13 Q Well, the dates that we have run from  
14 September 10, 1984, through the 21st of November, 1986.  
15 When did you leave?

16 A January of '86 I left.

17 Q It shows about 34-35 meetings between  
18 September 10.

19 A So the bulk -- that's what I thought because I  
20 was not aware really of a close connection.

21 Q Were you aware of a contract with S/LPD,  
22 between the Institute for North-South Issues?

23 A Yes. I have been made more aware of it in the  
24 last few months.

25 Q What was the purpose of that contract?

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1           A     It was, as I remember, a feasibility study, a  
2     proposal to do a distribution plan for the State  
3     Department for our publications.

4           Q     So during the period of time that IBC had a  
5     contract with S/LPD you also executed a separate contract  
6     with the Institute for North-South Issues, which was also  
7     the same two people -- Mr. Miller and Mr. Gomez?

8           A     It appears that way, that's correct.

9           Q     And these contracts ran simultaneously?

10          A     That's what I have been told since.

11          Q     So the contract with IBC had to do with the  
12     distribution of materials.

13          A     The final contract.

14          Q     And the contract with the Institute for North-  
15     South Issues had to do with the evaluation of the  
16     distribution of materials; is that correct?

17          A     I believe so.

18          Q     So you had a contract with Rich Miller and  
19     Frank Gomez to evaluate what Rich Miller and Frank Gomez  
20     were doing, is the way it appears?

21          A     No, not were doing. It was to see whether  
22     they could do it. What they proposed was a proposal.

23          Q     What was the date of the Institute for North-  
24     South Issues contract?

25          A     I believe it was September of '85.

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1 Q And IBC was already under contract during that  
2 period of time?

3 A I don't remember, but if they were the  
4 contract would have ended in September at the end of the  
5 fiscal year. I think their contract ran to the end of  
6 the fiscal year, but I don't recall that either.

7 Q Do you know why the payments to IBC took place  
8 in every instance substantially after the contract  
9 periods began?

10 A No, I don't. You'd have to ask the  
11 contracting officer or whoever signs the checks.

12 Q Did Oliver North call you -- I believe you  
13 referred to this earlier -- and ask you to expedite a  
14 payment to IBC because they were financially strapped?

15 A I don't recall. As I said, I have a vague  
16 recollection of a possible phone call from North, but I'm  
17 not sure that that was the reason. I do remember a  
18 memorandum from Frank Gomez to us requesting expedited  
19 payment or perhaps even advance payment because they were  
20 going broke, or some words to that effect in, I believe,  
21 the spring of '85.

22 Q Were you aware of the difficulties that the  
23 Defense Investigative Services had in obtaining  
24 information they needed for a security clearance with  
25 IBC?

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1           A    No, not really. I knew a little bit, but I  
2 think they started having those difficulties about the  
3 time when I left the office, if I'm not mistaken.

4           Q    Were you aware of problems within the  
5 contracting bureaucracy over the award of a third  
6 contract to IBC, the \$276,000 contract?

7           A    Oh, I was aware of the problems with the  
8 contract and the bureaucracy over every contract -- IBC  
9 and non-IBC.

10          Q    Were you aware that there were objections  
11 raised to the sole source nature of the third contract  
12 because of requirements that it be made a public bidding  
13 process -- a public bidding process be entered into?

14          A    I have been told about those since.

15          Q    Were you aware of the fact that there were  
16 suggestions made that the way to get around this  
17 requirement for public bidding would be to classify the  
18 contract?

19          A    No. I have been told that since.

20          Q    Who told you that?

21          A    Who told me what?

22          Q    Who told you since that --

23          A    People in the Department that I've talked to  
24 about this.

25          Q    Would it appear to you that perhaps the

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1 classification of this contract might have been in order  
2 to avoid having to go out on a public bidding process?

3 A No. I think that that is an interpretation  
4 that some people would like to put on it, but it is not  
5 the reason why I remember it was classified at the time.

6 Q Is it common for the State Department to  
7 handle defectors who are in jeopardy?

8 A I don't know.

9 Q Have you ever heard of them managing any other  
10 defectors?

11 A We managed ourselves many defectors.

12 Q Did you ever have any secret contracts to do  
13 that other than with IBC?

14 A No. This was our only experience.

15 Q

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17 A

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Q Did you ever at any time see or cause to have done an audit of IBC's expenditures of State Department funds?

A I requested. I requested that every penny that we paid to IBC be accountable, that we could justify every single cent, and I requested that of Colonel Jacobowitz, who was the person who I was relying upon to deal with the contracting office. And I said, in fact, that's one of the reasons why I was told that the contract was taking so long in being signed. That was one of the "they" that I couldn't remember.

"They" included the auditors, the contracting office. I wanted to make sure it was a perfectly legal contract, justifiable, et cetera, et cetera, yes, sole source, because I was told that that was standard procedure, that it could be done, that it was legal and done all the time is what I kept having come back.

But I also said, look, this is a very large contract -- at least it was for us. I said I want to make sure that if anybody ever looks at this contract years from now that it can be said that the American taxpayer got their money's worth. And I was told that

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1 there were auditing procedures being set up that were  
2 delaying the signing of the contract -- sort of a Catch-  
3 22 situation.

4 Q Did you know that Jake Jacobowitz's sister was  
5 an employee of IBC?

6 A Yes, I did.

7 Q Do you know how that came about?

8 MR. TUOHY: How he knew?

9 BY MR. OLIVER: (Resuming)

10 Q How it came about that she was an employee of  
11 IBC?

12 A My memory is not clear as to whether she went  
13 to them or they went to her, but there was never any  
14 attempt to hide the fact that she was his sister. He  
15 told me himself, because her name at that time was  
16 Jacobs, and I would not have automatically recognized  
17 Fran Jacobs as Jake Jacobowitz's sister. So he said I  
18 want you to know that Fran is my sister -- Fran Jacobs is  
19 my sister. And I said what can I do about that?

20 Q Did you suggest to him that it might be a  
21 conflict of interest for her to make a presentation for  
22 the IBC contract to him?

23 A No, I didn't. I was kind of in a bind  
24 because, frankly, what went through my mind at the time  
25 was here this company is making a presentation. They

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1 brought a woman in who's obviously qualified because I  
2 had her resume. She was making a professional  
3 presentation. I'm not in that business, but I could tell  
4 it was a good presentation, and so it's finished.

5 So I said to myself, you know, I either tell  
6 him that yes, we would like to hire them but not with  
7 her, in which case I'd be slapped with some kind of a  
8 discrimination suit, probably, or something. Or I fire  
9 Jake, I say Jake, you've got to go because we're going to  
10 hire this company. I didn't think there was any conflict  
11 of interest. Jake was not going to be supervising her.  
12 Jake was working for me.

13 Q Jake Jacobowitz was the successor to Mark  
14 Richards; is that correct?

15 A No, no, no. He had nothing to do with Mark  
16 Richards.

17 Q Mark Richards was assigned to LPD while he was  
18 an officer --

19 A Oh, I'm sorry. By "successor" I thought you  
20 meant did he take his job. Mark Richards was a detailee,  
21 that's correct. Then he retired and we hired him as a  
22 contractor. I wanted to keep him on, but he wanted to  
23 retire. In fact, I think he had to retire. He was up  
24 against the limit. And then I believe that Jake  
25 Jacobowitz was the next detailee that they sent over. I

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1 did not know him from Adam when he was sent over.

2 Q Was Mark Richards' job to brief and to  
3 background various news media representatives?

4 A That's correct.

5 Q Isn't that a job that's usually associated  
6 with the press spokesman or the Office of Public Affairs  
7 in the Department of State?

8 A The reason why our office was created is  
9 because very high-ranking people, including the  
10 President, felt that certain jobs were not being done,  
11 including briefing the press properly. Everything that  
12 our office did you could isolate.

13 Q So you undertook a separate briefing of the  
14 press operation in your office?

15 A Yes, but we always coordinated with the Bureau  
16 of Public Affairs to make sure that we weren't either  
17 duplicating and wasting our time or contradicting them.  
18 We worked very closely with them. They just didn't have  
19 the capabilities. They don't have the people to do what  
20 our office did.

21 We would provide, for example, Mark Richards  
22 would sit with a reporter for four hours explaining a  
23 certain aspect of guerrilla war in El Salvador or the  
24 capabilities of a MIG-21. For example, why is the United  
25 States so upset about the possible introduction of MIGs

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1 into Nicaragua? Here's Mark Richards; he'll tell you  
2 what is a Hind-24 and why are you guys saying that this  
3 changes the balance of power. Mark Richards would sit  
4 down for eight hours. Nobody in the Bureau of Public  
5 Affairs can do that. They don't have the time. They  
6 don't have the skill.

7 Q Were you aware that rather than hiring Mark  
8 Richards as a consultant you hired him in his corporate  
9 form?

10 A Eventually, yes. That's correct. First I  
11 believe we hired him as a contractor and then he formed a  
12 corporation, once again I believe for tax purposes. And  
13 there was a long, drawn-out and completely legal process  
14 with the contracting office to see how he could be hired  
15 as a corporation. There's nothing wrong with that.

16 Q I didn't say there was.

17 A But your tone indicated that there was  
18 something wrong.

19 Q Well, I didn't mean for my tone to indicate  
20 that there was anything wrong. We found it strange that  
21 we couldn't find Mark Richards. We had a copy of the  
22 contract and we never could find him. The State  
23 Department we asked on a number of occasions who is Mark  
24 Richards and how do we find him, and they didn't know.  
25 This was after he had left when we were looking into

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1       these various contracts.

2               And the only way we found him was looking in  
3       the State Department telephone directory of a couple  
4       years before that and found his name.

5               A     Well, that's very strange.

6               Q     It was confusing.

7               A     He would be very upset to hear that, that we  
8       have forgotten him to quickly.

9               Q     I don't know who was asked. I wasn't the one  
10       that was doing the asking at that period of time.

11               Let me ask you -- I'm going to come back to  
12       IBC in just a minute, but I'd like to ask you about your  
13       switch from AID to LPD. Do you know what the genesis of  
14       that was, whose idea it was for you to switch over?

15               A     For me, Otto Reich, or for the office to be  
16       created?

17               Q     You, Otto Reich.

18               A     I believe it was a combination of discussions  
19       that I had with a number of people, including Dick Stone,  
20       Senator Stone, Walt Raymond, Jeanne Kirkpatrick. I'm  
21       sure there were other people involved, but I kind of made  
22       a pest of myself, saying this government does a lousy job  
23       and we deserve all the guff we're getting from the  
24       Congress because we are not providing the information. I  
25       see it coming across my desk every day. Let's do

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1 something about it.

2 And eventually they said fine. It's like the  
3 Army; I was volunteered and I accepted it.

4 Q But is it your understanding that Walt Raymond  
5 was the one at the NSC who pushed the creation of LPD?

6 A I don't think it's fair to say he pushed it. I  
7 believe Judge Clark asked him to do the staff work that  
8 helped to create the office, because I remember sitting  
9 down with him and talking about what would this office do  
10 and how.

11 Q Did LPD report to the NSC?

12 A That's correct, yes.

13 Q And a representative of LPD met with the  
14 Security Planning Group on a weekly basis?

15 A Approximately -- NSPG -- not the NSPG; I'm  
16 sorry. Well, really we met with Walt Raymond. I don't  
17 know what hat Walt Raymond might have been wearing,  
18 whether it was his NSDD-77 hat. I always thought that it  
19 was in his NSDD-77 hat. Once a week we would have public  
20 diplomacy types from State -- not public diplomacy. Once  
21 a week we had a meeting on information. Are we doing  
22 enough to get information out?

23 And it would be held in Walt Raymond's office.  
24 There were a lot of other meetings, by the way. There  
25 was also a meeting on public affairs, for example,

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1 separate.

2 Q Did Ollie North attend those meetings?

3 A Very infrequently. Yes, he did, but very  
4 infrequently.

5 Q Were you involved in the organization of a  
6 dinner which took place on April 15, 1985, for the  
7 Nicaraguan Refugee Fund?

8 A We were asked to provide government support  
9 for that -- for example, speakers. I spoke at that  
10 dinner and President Reagan spoke. We were the only  
11 speakers. I let him go first. I thought it was the  
12 least I could do.

13 The answer to your question is yes, but I'd  
14 like to tell you what that means. We didn't know who  
15 this group was and, frankly, I wanted to make sure that  
16 the government wasn't going to be -- that the government,  
17 particularly since the President was going to be  
18 involved, that we weren't going to get involved with some  
19 group that was shady or that the money was going to be  
20 used for the wrong purposes, et cetera.

21 We did the best we could without crossing the  
22 line from government officials telling private people  
23 what they can do, and I think our involvement probably  
24 helped to improve the thing. But it turned out to have a  
25 lot of problems. I was very unhappy with it after it was

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1 finished.

2 Q Did you meet with Edie Fraser on occasions  
3 related to that dinner?

4 A I believe I did, yes.

5 Q What was the purpose of those meetings?

6 A Oh, somebody brought her to a meeting or  
7 something, brought her to my office and said that she had  
8 been hired, I guess, by the people putting on the dinner  
9 to help them publicize it or whatever it is she does, or  
10 organize it.

11 Q Were you aware of Rich Miller and Frank Gomez'  
12 work with the National Endowment for the Preservation of  
13 Liberty?

14 A I became aware of that quite late in my  
15 tenure. I believe, in fact, that it was -- I don't  
16 remember exactly when, but I do remember receiving a  
17 brochure from the National Endowment for the Preservation  
18 of Liberty which was sent to me by Miller or Gomez -- I  
19 believe Miller, and the reason I say that is that it  
20 either had an envelope from him or it had a card from  
21 Miller. I associated Miller with the brochure or packet  
22 -- packet of information.

23 Q Were you aware of the briefings that were  
24 being arranged at the White House for private citizens by  
25 the National Endowment for the Preservation of Liberty?

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1           A     Not by the National Endowment. I personally  
2     briefed thousands of private citizens at the White House  
3     and the Old EOB and all over the country, but to my  
4     knowledge I never spoke -- and I say to my knowledge  
5     because I don't know frankly who organized each and every  
6     one of those briefings -- I never spoke at something  
7     sponsored by the National Endowment for the Preservation  
8     of Liberty.

9           Q     What about the American Conservative Trust?

10          A     The same answer.

11          Q     Were you aware of the television ads that were  
12     run in support of aid to the contras designed to  
13     influence the Congress?

14          A     I saw them on television.

15          Q     Were you aware that the SPG or the NSC were  
16     involved in the timing of those ads or in working with  
17     those groups?

18          A     No. That's news to me -- that the SPG or the  
19     NSC was involved in the timing of those ads?

20          Q     Yes. That was my question.

21          A     No. Can I ask you a question? When did those  
22     ads run?

23          Q     Well, there were two periods in which the ads  
24     ran. One was in the late winter-early spring of 1985 and  
25     the other period was late winter to late spring of 1986.

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1 There was another series of ads in the fall of 1985 that  
2 were related to SDI that wouldn't have been in your --

3 A Well, I can certainly answer that. When you  
4 say late fall of '85 and early winter, in other words  
5 like November-December of '85, is that when they started  
6 running?

7 Q Well, there were some ads that were run in  
8 November of '85 related to the summit.

9 A, I'm talking about the Central America-related  
10 ones. When did they start? See, my memory, my  
11 recollection, is that I started seeing those ads when I  
12 was already Ambassador-designate to Venezuela, and my  
13 reaction was good for them, whoever they are. But I  
14 didn't look into it. I mean, my concern was Caracas. I  
15 don't remember seeing the ads before that.

16 Q Were you aware of a memorandum of a program or  
17 memorandum describing a program that Oliver North  
18 compiled showing all the different activities that were  
19 going to be undertaken in connection with the vote on  
20 Nicaragua -- I mean, a group showing the tasking?

21 A If you can show me something. I mean, I don't  
22 know how many thousands of memorandums I've seen.

23 Q Do you know a man named Thomas Dowling?

24 A No, I don't believe so.

25 Q Were you aware -- you've never heard that

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1 name?

2 A The name kind of rings a bell, but no. I  
3 don't ever remember meeting a man by the name of Thomas  
4 Dowling. But I may have heard that name.

5 Q Are you aware of a company called Bragg  
6 Communications?

7 A No, I never heard of it.

8 Q Do you know why money, payments to IBC from  
9 State Department, why some of the money that was paid to  
10 IBC went to Bragg Communications?

11 A I don't know that money that was paid to IBC  
12 went to Bragg Communications, much less why.

13 Q Their bank accounts indicate checks.

14 A It's the first I ever heard of it.

15 Q A receipt and balance. The payments I think  
16 were in \$12,000 increments. The next payment was \$6,000  
17 to Bragg Communications.

18 A But just a second, because IBC had a lot of  
19 clients, and it's not right to say that money went from  
20 the State Department to IBC then went to Bragg  
21 Communications. I have no idea.

22 Q Well, if their bank account has \$1,000 in it  
23 and they get a \$12,000 deposit from State Department  
24 check and there's no other money in the account and the  
25 next check is a \$6,000 check to Bragg Communications, you

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1 could draw the conclusion.

2 MR. TUOHEY: Your answer is you don't know  
3 anything about it?

4 THE WITNESS: No, I don't. I never heard of  
5 Bragg Communications.

6 BY MR. OLIVER: (Resuming)

7 Q Were you aware that Rich Miller and Frank  
8 Gomez were being instructed by Oliver North to transfer  
9 funds to a Cayman Islands bank account?

10 A No, not until the story broke in the papers.

11 Q Do you know whether or not Jonathan Miller  
12 knew about the establishment of that bank account?

13 A I have no idea.

14 Q He never told you about the establishment of  
15 that bank account?

16 A Never.

17 Q Let me run through, if I may, some things in  
18 Oliver North's calendar that refer to you. We've already  
19 asked about the lunch. There are several meetings in  
20 September of 1984 indicating on Oliver North's calendar--  
21 one on September 14, one on September 17 -- with you,  
22 Arturo Cruz, Jr., Jonathan Miller and Oliver North, at  
23 12:00 -- that may have been lunch.

24 Do you remember those meetings or luncheons?

25 A I don't remember, but it probably happened. I

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1 have no reason to believe it didn't happen.

2 Q Do you know why you would have two meetings in  
3 a three-day period with your Deputy, Arturo Cruz, and  
4 Oliver North?

5 A Why not? Arturo Cruz was full of information.

6 Q Was that the primary purpose of those  
7 meetings?

8 A Oh, yeah.

9 Q Was to debrief Arturo Cruz?

10 A Not only debrief, but I mean debrief sounds  
11 like we sat him down -- to discuss what was doing on in  
12 Central America. Cruz sometimes had ideas for us about  
13 how to deal with the Sandinistas.

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Q Do you know why Jonathan Miller, Frank Gomez

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1 and Rich Miller met with Oliver North in January of 1985?

2 A No, I do not.

3 Q Did Jonathan Miller ever tell you about that  
4 meeting?

5 A Oh, he may have.

6 Q Did he ever tell you about a meeting with Rich  
7 Miller, Frank Gomez and Oliver North and himself?

8 A He may have. I just don't have any  
9 recollection.

10 Q You don't remember or have any recollection  
11 about that. There's a reflection on Oliver North's  
12 calendar on January 28, 1985, that says 2430, Bob Reilly,  
13 Jackie Tillman, Menges, Reich, Jonathan Miller, John  
14 Norton Moore, re constitutional and legal aspects of U.S.  
15 involvement in Central America. Do you remember that  
16 meeting?

17 A Vaguely. I think John Norton Moore came and  
18 gave us a briefing on his interpretation of the  
19 constitutional debate going on right now, but I mean I'm  
20 not a lawyer so I don't remember exactly what he said --  
21 I don't mean right now -- going on at the time. And I  
22 think he had written a paper.

23 I think it might have had to do with the World  
24 Court, the ICJ suit. That was a big issue and John  
25 Norton Moore wrote articles about the ICJ suit and our

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1 office was very much involved on the public diplomacy  
2 side of that.

3 Q Do you remember meeting at a townhouse at 317  
4 Third Street, Northeast, that I believe is owned by Dan  
5 Kuykendahl where his offices were?

6 A Yes, I do.

7 Q What was the purpose of that meeting or series  
8 of meetings?

9 A Well, not series of meetings. I remember  
10 going there, I think, only once. This group, Gulf and  
11 Caribbean Foundation, I believe Dan Kuykendahl had either  
12 purchased that townhouse or rented it or something and  
13 invited a bunch of people over to see it, and there  
14 ensued a meeting that dealt with legislation, with  
15 legislation pending, and I decided that I didn't want to  
16 get there and I left.

17 Q Was Oliver North there?

18 A I don't remember. I felt uncomfortable. I  
19 remember feeling uncomfortable. That was not the first  
20 time this happened to me. A number of times when I found  
21 myself in meetings where people were discussing things  
22 that I didn't think that I should be exposed to -- I  
23 mean, they were private citizens. They had ever right to  
24 do whatever, but I felt frankly that they should have  
25 told me in advance.

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1 I don't remember the details, but I do  
2 remember excusing myself politely and saying I had  
3 another meeting.

4 Q Were you aware that Jonathan Miller or Frank  
5 Gomez or Rich Miller attended those meetings frequently  
6 to discuss legislation?

7 A Those meetings?

8 Q Yes.

9 A When I say discussing legislation I mean I  
10 attended a lot of meetings where legislation was  
11 discussed in and out of government.

12 Q I'm asking about the meetings at Dan  
13 Kuykendahl's townhouse.

14 A No. I may have. Jonathan may have told me.  
15 I probably didn't see anything sinister.

16 MR. TUOHEY: The question was, was Jonathan  
17 Miller there.

18 THE WITNESS: Oh, I don't remember. I don't  
19 remember if he was there or not.

20 BY MR. OLIVER: (Resuming)

21 Q Were there any discussions at those meetings  
22 that related to legislation where the discussion of  
23 television ad campaigns were brought up or discussed in  
24 any way?

25 A I don't believe so. I don't recall.

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1 Q There's a notation in Oliver North's calendar  
2 of a meeting with Jonathan Miller and someone named  
3 Christina.

4 A Probably Christina Luns, who worked for Ollie  
5 for a month or two, and then she was scheduled to come  
6 over to the State Department and then she got a job in  
7 Paris -- poor kid.

8 Q What was she doing for Ollie?

9 A I don't know.

10 Q Why would she have been meeting with Jonathan  
11 Miller and Ollie at the State Department?

12 A I don't know. If I knew the reason for the  
13 thousands of meetings we held -- I mean, there are  
14 meetings that I attended that I couldn't tell you today  
15 if my life depended on it.

16 MR. TUOHY: But your answer is you don't  
17 know?

18 THE WITNESS: No, I don't know.

19 BY MR. OLIVER: (Resuming)

20 Q There is a reference in Ollie North's notebook  
21 to a call to you on July 27 -- I believe it's 1984 --  
22 regarding ~~something~~ being well and the name Archbishop  
23 Hannon next to it and the name Dowling under it.

24 Do you recall what that phone call might have  
25 been about?

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1           A     Archbishop Hannon, I believe, is the  
2     Archbishop of New Orleans, and I vaguely recall some kind  
3     of a film they were doing on Nicaragua. And they may  
4     have requested some kind of U.S. Government assistance,  
5     you know -- information, what's the best way to get there  
6     from here and give us background. We would provide  
7     background information.

8           Q     Do you remember any filming that Ollie North,  
9     or do you know of any filming that was going on that he  
10    was involved in?

11          A     No.

12          Q     In his notes there is also your name and next  
13    to it it says "Sea transport next week."

14          A     My name and "sea transport" -- sea as in  
15    ocean?

16          Q     Yes. Do you have any idea what that would be  
17    a reference to?

18          A     No. Maybe he was going to send me off to  
19    invade some island or something.

20          Q     There's also a notation on a call from Rob  
21    Owen, and then underneath that two ticks with the name  
22    John Hull and the name Otto Reich.

23          A     I've never met John Hall. I've heard his name  
24    since this has come up in the hearings.

25          Q     But that wasn't discussed with you?


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- 1 A I'm sorry. John Hall?  
2 Q H-u-l-l.  
3 A No. I know a John Hall -- H-a-l-l.  
4 Q There's also a note that says "call from Otto

5 Reich re: Brooklyn Rivers.



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9 Q Within the same parentheses, referring to that  
10 conversation, there is the words "Robelo getting  
11 \$120,000". Do you know what that's about?  
12 A I have no idea.  
13 Q Do you remember any reference to that?  
14 A No.  
15 Q In the conversation?  
16 A No.  
17 Q There is also a call from Mark Richards that  
18 refers to taking surreptitious pictures of Hinds and MI-  
19 ss. Do you know anything about that?  
20 A A call from Mark Richards to Ollie North?  
21 Q Yes.  
22 A We probably needed some pictures for one of  
23 our brochures and it could be that Mark was trying to  
24 figure out if Ollie had any pictures or could cause any  
25 pictures to be taken of the Soviet Hinds in Nicaragua.

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1 I'm speculating here.

2 Q There's another note that says "Otto Reich",  
3 and I don't know whether this is related to you, but  
4 right next to it is "call Lew Tambs", and then meeting  
5 with Miller, Miller, Gomez. I assume that's Jonathan and  
6 Rich.

7 A No. I know, of course, where Lew Tambs is.

8 Q There's another notation on 16 February that  
9 says call back to Otto Reich -- NRF moving. Do you know  
10 what that would refer to?

11 A What's the year?

12 Q That would be 1985.

13 A NRF was, I believe, the Nicaraguan Refugee  
14 Fund. That was that dinner that eventually got organized  
15 in April.

16 Q And you were telling him that it was moving  
17 along?

18 A Yeah. I told you we were involved and it  
19 eventually happened April 15 of '85, I guess it was.

20 Q There is another call in June of 1985 that  
21 says "call Otto/Fred Ikle re: weapons." Do you have any  
22 recollection of anything --

23 A No. I never dealt with weapons of any kind.

24 Q Do you know why your name would be slashed  
25 with Fred Ikle's?

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1           A    No. I attended lots of meetings where Fred  
2 Ikle -- I shouldn't say lots of meetings -- a number of  
3 meetings where Ikle was present, but I don't recall any  
4 of them having to do with weapons.

5           Q    Did you ever receive a thank you letter from  
6 the President in the summer of 1985 for your efforts on  
7 behalf of the vote, the Congressional votes?

8           A    I've gotten a number of letters from the  
9 President, but I don't recall any one having anything to  
10 do with the vote -- one for my AID work, several letters,  
11 but nothing, to my knowledge, to do with the vote. They  
12 are hanging on my wall in Caracas, if you want me to  
13 check.

14           MR. TUOHEY: Just for the record, is there  
15 such a letter, Spencer?

16           MR. OLIVER: There's a reference to  
17 Presidential letters for, and then a string of names,  
18 including Otto's and other names of people who were  
19 lobbying.

20           THE WITNESS: Another broken promise. I  
21 didn't get it.

22           BY MR. OLIVER: (Resuming)

23           Q    Were you aware of a meeting in February of  
24 1985 that took place between your deputy, Jonathan  
25 Miller, Oliver North, Rob Owen, Rich Miller and Frank

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1           Gomez?

2           A     In February of '85?

3           Q     Yes, the 27th of February.

4           A     No.

5           Q     Jonathan Miller never told you about it?

6           A     I don't recall. I can't say that he did and I

7           can't say that he didn't. I have no recollection.

8           Q     Let me show you another document which I'd

9           like to have entered as Exhibit 2.

10                     (The document referred to was

11                     marked Reich Exhibit Number 2

12                     for identification.)

13                     It is a memorandum from Oliver North to Robert

14           McFarlane, attached to which is a chronological event

15           checklist that includes several references to Mr. Reich.

16           I show you this document and ask you to take a minute to

17           read it and tell me what you know about it.

18                     MR. TUOHY: 3/20/85 is the date in pen in the

19           upper righthand corner. Is that the date of the memo?

20                     MR. OLIVER: If you turn, you will see.

21                     (Pause.)

22                     BY MR. OLIVER: (Resuming)

23           Q     Could you tell me what the genesis of that

24           document is and what you know about it?

25           A     Well, I'm glad you told me that it was from

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1 Ollie North because State Department people have a copy  
2 of something similar to this and they were telling me  
3 that it had come out of my office and I kept insisting  
4 that we never wrote such a document. I said this  
5 document was not written by us and I'll tell you why, and  
6 I pointed to some of the office designations. We would  
7 never refer to ourselves as State/LPD because there's no  
8 such thing. If you are inside State Department it would  
9 be S/LPD or ARA/LPD or whatever.

10 I said this document was written by someone  
11 else who knows what's going on, and frankly in my mind I  
12 suspected a number of people, including Ollie. Suspect  
13 is a strong word. I thought it would be -- Ollie used to  
14 write these things and pass them around and he would put  
15 people down. By the way, some of these things are  
16 perfectly legitimate.

17 Send resource book on the Contadora process to  
18 Congress. We did that.

19 Q I'm not saying there's anything --

20 A But some of the questioning from the State  
21 Department people, they didn't seem to understand. They  
22 thought that we were taking orders from some unknown  
23 person somewhere or giving orders to other people because  
24 there are certain things in here. I've not seen this  
25 particular one, but there are other similar -- for

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1       example, Kuykendahl. Kuykendahl is a private citizen.  
2       He has no business, in my opinion, being in a chronology  
3       of events for the government unless it's an  
4       informational, which we did have a lot of informational  
5       memos like this letting people know what we are doing.

6               Here is State Department, Reich, again --  
7       publish and distribute as State Department document  
8       Nicaragua's Development as a Marxist-Leninist State. I  
9       believe we did that. Reverend Vallardo Santeliz, I don't  
10      remember this.

11             MR. TUOHY: I don't know if there is a  
12      question pending right now.

13             MR. OLIVER: I was asking him to tell me what  
14      he knew about the document and I think that's what he was  
15      doing.

16             THE WITNESS: It looks familiar.

17             BY MR. OLIVER: (Resuming)

18             Q     Well, had you seen those documents before?

19             A     Oh, yes.

20             Q     While you were at LPD?

21             A     Yeah, sure.

22             Q     Would it be fair to say that that was a  
23      tasking memorandum of some kind?

24             A     No. We never saw it as a tasking memorandum.

25             Q     But you saw those memorandums?

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1           A     We saw it as a chronology of events that were  
2 taking place related to what was going on, taking place  
3 or being done by a lot of different people inside and  
4 outside of government. It was sort of information.

5           Q     Were you aware that Frank Gomez was part of  
6 this effort on the lobbying of Congress?

7           A     Lobbying the Congress?

8           Q     I believe that that's related to events which  
9 are going to take place prior to the vote in the spring  
10 of 1985.

11          A     Okay. I just opened to the page here. Major  
12 rally in the Orange Bowl in Miami attended by President  
13 Reagan. I don't think that's lobbying of Congress.

14          Q     If you look at the beginning of the memorandum  
15 you will see --

16          A     But let me finish.

17               MR. TUOHY: The question is very simple.  
18 Just answer the question. Were you aware that Miller and  
19 Gomez were involved in any lobbying efforts?

20               THE WITNESS: No.

21               BY MR. OLIVER: (Resuming)

22          Q     Let me just ask you quickly about a few names  
23 and ask if you know then.

24               Spitz Channell?

25          A     Never met him, to my knowledge.

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1 Q Dan Conrad?  
2 A Not to my knowledge.  
3 Q Cliff Smith?  
4 A Not to my knowledge.  
5 Q Ken Campbell?  
6 A Yes.  
7 Q Was Ken Campbell involved in any of your --  
8 A Not in any of my activities. I dealt with Ken  
9 Campbell frequently on the phone.  
10 Q Marty Artiato?  
11 A Never heard of him. I should say not to my  
12 knowledge.  
13 Q Bruce Cameron?  
14 A Yes.  
15 Q What was Bruce Cameron's --  
16 MR. SMILJANICH: Off the record.  
17 (A discussion was held off the record.)  
18 BY MR. OLIVER: (Resuming)  
19 Q Let me just ask one more question. Were you  
20 aware that Rich Miller was targeting various Congressmen  
21 for Spitz Channell's television ad campaigns?  
22 A No.  
23 MR. OLIVER: That's it.  
24 MR. SMILJANICH: Mr. Ambassador, thank you  
25 very much for making yourself available.

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1 (Whereupon, at 1:12 p.m., the taking of the  
 2 instant deposition ceased.)

3

4

\_\_\_\_\_  
Signature of the Witness

5

Subscribed and sworn to before me this \_\_\_\_\_ day of

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\_\_\_\_\_, 1987.

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\_\_\_\_\_  
Notary Public

9

My Commission Expires: \_\_\_\_\_

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**UNCLASSIFIED****CERTIFICATE OF REPORTER**

I, MICHAL ANN SCHAFER, the officer before whom the foregoing deposition was taken, to hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Michal Ann Schaffer  
Notary Public

in and for the District of Columbia

My Commission Expires: February 28, 1990

**UNCLASSIFIED**

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NO DATE

## MEMORANDUM

## NATIONAL SECURITY COUNCIL

<u>Name</u>	<u>Department</u>
Oliver Norton	NBC
Nestor SANCHEZ	DOD
Frank Giner	I.B.C.
Rich MILLER	I.B.C.
OTTO REICH	STATE
WALT RAYMOND	NSC
Jonathan Miller	State
Jeff Bell	CFA
Jack Abram M	CFA



Partially Declassified/Released on 10 Feb 88  
 under provisions of E.O. 12356  
 by K. Johnson, National Security Council



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To	Name and Address	Date	Initials
1	Robert McFarlane		
2			
3			
4			
5			
6			

<input checked="" type="checkbox"/> ACTION	FILE
APPROVAL	INFORMATION
COMMENT	PREPARE REPLY
CONCURRENCE	RECOMMENDATION
DIRECT REPLY	RETURN
DISPATCH	SIGNATURE

REMARKS:  
cc: Oliver North (12 and 3)  
Jim Radzinski (4)

20 MAR 85 CANAL 2/20/85

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NSC/ICS CONTROL NO. 400300

COPY NO. 2 OF 4

HANDLE VIA SYSTEM IV CHANNEL ONLY

REICH  
EXHIBIT #2

# NSC INTELLIGENCE DOCUMENT

Partially Declassified / Released on 22 June 1987  
under provisions of E.O. 12958  
by B. Rager, National Security Council

Warning Notice  
Intelligence Sources and Methods Involved  
NATIONAL SECURITY INFORMATION  
Unauthorized Disclosure Subject to Criminal Sanctions

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3/31/87

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MEMORANDUM

SYSTEM IV  
NSC/ICS-400300

NATIONAL SECURITY COUNCIL

March 20, 1985

N 40301

~~SECRET~~ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Timing and the Nicaraguan Resistance Vote

Attached at Tab A is the most recent version of the chronology of events aimed at securing Congressional approval for renewed support to the Nicaraguan Resistance Forces. This schedule results from the four communications/media meetings we have now had with Pat Buchanan's ad hoc working group. Please note that the schedule continues to focus on a vote at the end of April triggered by submission of the required report on or about April 15.

In addition to the events depicted on the internal chronology at Tab A, other activities in the region continue as planned--including military operations and political action. Like the chronology, these events are also timed to influence the vote:

- planned travel by Calero, Cruz, and Robelo;
- various military resupply efforts timed to support significantly increased military operations immediately after the vote (we expect major Sandinista crossborder attacks in this timeframe--today's resupply to [redacted] from [redacted] went well); and
- special operations attacks against highly visible military targets in Nicaragua.

Some of these efforts will proceed whether or not the vote occurs as planned at the end of April. For example, today Bernardario Larios, former Sandinista Defense Minister, defected to Costa Rica and is now in Panama (you were briefed on this operation during the trip). Others, however, including actions by U.S. interests groups are very sensitive to the timing. Next week the networks auction their air time for 15, 30, and 60 second commercials during prime viewing hours. These groups are prepared to commit nearly \$2M for commercial air time and the

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production of various advertising media. If we are to retain their support, we must let them know by Friday whether or not they should proceed. To the maximum extent we have tried to prevent the kinds of errors that will cost them financially or politically. Unfortunately, some, like the Young Republicans ad, get through--this has been fixed.

It is important that a decision be taken no later than noon, Friday, March 22, if we are to proceed with the events in the checklist (Tab A) and those activities which support a vote at the end of April.

Senator Durenburger plans to make a major speech on this issue at the National Press Club next Tuesday, March 26. We should at least give him a sense of what to expect before he speaks.

You should also be aware that Director Casey has sent a personal note to Don Regan on the timing matter. We are attempting to obtain a copy for your use.

Worthlind has apparently completed an analysis on some recent polling data. It reportedly does not look good for a vote at this time.

Finally, Jim Michel reminds that in your meetings with the Central American Heads of State you told them that we would be quiescent during the early Spring, but that in April we would act. This description fits either scenario--going for the vote or a fallback option with sanctions. One way or the other, we need to have a decision.

#### RECOMMENDATION

That you discuss this matter with Don Regan and urge that a decision be made on timing by noon on Friday, March 22.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

#### Attachments

- Tab A - Chronological Event Checklist (dtd March 20, 1985)
- Tab B - Young Republicans Ad

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March 204 0303

~~CONFIDENTIAL~~CHRONOLOGICAL EVENT CHECKLISTFebruary 21-28, 1985 (completed)

<u>Event</u>	<u>Responsibility</u>
Send resource book on the Contadora process process to congressmen, media outlets, private organizations and individuals interested in Nicaragua.	State/LPD (Miller)
FDN to select articulate freedom fighters with proven combat records and to make them available for contact with U.S. media representatives.	NSC (North)
Assign U.S. intelligence agencies to research, report, and clear for public release Sandinista military actions violating Geneva Convention/civilized standards of warfare.	NSC (North) (Raymond)
Prepare themes for approaches to Congressmen based on overall listed perceptions which will directly attack the objections listed above.	NSC (North)
Encourage U.S. media reporters to meet individual FDN fighters with proven combat records and media appeal.	NSC (North) State/LPD (Gomez)
Contact internal eyewitnesses/victims to testify before Congress about their abortive attempts to deal with the FSLN (deadline March 15).	NSC (North)

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~~CONFIDENTIAL~~March 1-8, 1985EventResponsibility

Prepare list of publicly and privately expressed Congressional objections to aiding resistance and voting record on the issue.

WH/LA  
State/H

Provide State/H with a list of Nicaraguan emigres and freedom fighters to serve as potential witnesses to testify before hearings on aid to Nicaraguan freedom fighters (due March 15).

NSC (North)  
State/ARA  
(Michel)  
State/LPD  
(Reich)

Nicaraguan internal opposition and resistance announce unity on goals and principals (March 2, San Jose) (completed).

State/LPD  
(Miller)  
NSC (North)

Request that Zbigniew Brzezinski write a geopolitical paper which points out geopolitical consequences of Communist domination of Nicaragua (paper due March 20).

NSC (Menges)

Briefings on Nicaragua for key Congressional members and staffers. North on NU aggression and external involvement, Burghardt on diplomatic situation.

NSC (North)  
(Burghardt)

Supervise preparation and assignment of articles directed to special interest groups at rate of one per week beginning March 18 (examples: article on Nicaraguan educational system for NEA, article by retired military for Retired Officers Association, etc.).

State/LPD

Assign agencies to draft one op-ed piece per week for signature by Administration officials. Specify themes for the op-eds and retain final editorial rights.

NSC (Menges)

Conduct public opinion poll of America attitudes toward Sandinistas, freedom fighters.

WH (Rollins)

National Press Club news conference for FDN commanders Bermudez, Tigrillo, Mike Lima (March 5) (follow-on Congressional visits (March 6) (completed).

State/LPD  
(Gomez)  
(Kuykendall)

Martha Lida Murillo (9 yr old atrocity victim) visit to Washington--media interviews, Congressional visits, possible photo-op with First Lady (March 6-8) (completed).

State/LPD  
(Gomez)  
(Kuykendall)  
(WH/OPL)

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March 9-15, 1985EventResponsibility

WH/Legislative Affairs, State/H and ARA  
complete list of key Congressmen interested  
in Nicaragua.

State/H(Ball/Fox)  
WH/LA  
State/ARA  
(Michel/Holwill)

Intelligence briefing for White House  
Administration and senior staff by CIA  
(Vickers, Room 208, OEOB, 30 minutes).

NSC (North)

Brief Presidential meeting with Lew Lehrman  
and other leaders of the influence groups  
working on MX and resistance funding.

NSC (Raymond)  
(North)

State/LPD and WH Media Relations prepare a  
list of key media outlets interested in  
Central American issues, including newspapers,  
radio, and TV stations (including SIN). Where  
possible identify specific editors, commentators,  
talk shows, and columnists.

NSC (North)  
State/LPD  
(Miller)

NSC update talking points on aid to Nicaraguan  
freedom fighters.

NSC (North)

Briefings in OEOB for members/Senators:  
Shultz, McFarlane, Gorman, and Shlaudeman to  
brief Lehman (requires General Gorman to be  
placed on contract).

NSC (North)  
(Lehman)

Call/visit newspaper editorial boards and  
give them background on the Nicaraguan  
freedom fighters.

State/LPD(Reich)  
WH/PA  
NSC (North)

Brief OAS members in Washington and  
abroad on second term goals in Central  
America. Explore possible OAS action  
against Nicaragua.

OAS (Middendorf)  
NSC (Menges)  
State/LPD(Reich)

VP at Brazilian inauguration. Discuss  
possible OAS initiative on Nicaragua with  
Core Four, Colombia, Brazil, and Uruguay  
(March 15 and 16).

VP (Hughes)

Prepare a "Dear Colleagues" ltr for signature  
by a responsible Democrat which counsels  
against "negotiating" with the FSLN.

NSC (Lehman)

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CONFIDENTIALMarch 16-22, 1985EventResponsibility

Results due on public opinion survey to see what turns Americans against Sandinistas (March 20).

NSC (Hinckley)

Joachim Maitre--Congressional meetings, speeches, and op-ed pieces.

State/LPD  
(Kuykendall)

Review and restate themes based on results of public opinion poll.

State/LPD  
(Reich)  
NSC (North)  
(Raymond)

Presidential drop-by at briefing for American evangelicals on MX and Nicaraguan resistance.

WH/OPL (Reilly)  
NSC (North)

Congressional hearings (Foreign Relations/ Affairs) and testimony by Nicaraguan emigres and atrocity victims.

WH/LA  
NSC (North)  
(Lehman)

Prepare document on Nicaraguan narcotics involvement.

Justice  
(Mullen)

SSCI CODEL Borey, Bushnell, McConnell, and Wilson [redacted] meetings with resistance (March 15-19).

NSC (North)  
(Lehman)

VP in Honduras; meeting with Pres Suazo (March 16).

VP (Hughes)

Argentine state visit; President emphasize need for OAS case (March 19).

WH (Elliott)

Pastora and Calero meeting with Congressional Hispanic Caucus (Jorge Mas) (March 20).

Production and distribution of La Prensa chronology of FSLN harassment.

State/LPD  
(Reich)CONFIDENTIAL

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March 23-31, 1985EventResponsibility

Rev. Vallardo Antonio Santeliz (Pentecostal Minister atrocity victim)--Congressional/media meetings (March 22-23).

State/LPD  
(Kuykendall)  
(Gomez)

McFarlane, Friedersdorf meeting with key Congressional leadership (Rm 208 or WHSR) to brief situation and proposed course of action (March 23-25).

WH/LA  
NSC (Lehman)  
(North)

Presidential breakfasts, lunches, and WHSR meetings with key Congressional leaders (March 24 through vote).

Pedro Juaquin Chamorro (Editor La Prensa)  
U.S. media/speaking tour (March 25-April 3)

State/LPD  
(Miller/Gomez)

President to meet in Room 450 w/"Spirit of Freedom," concerned citizens for Democracy. Representatives from 8 countries (180) (March 25).

Release of DOD/State paper on Soviet/Cuban/Nicaraguan intentions in the Caribbean; possible WH backgrounder.

State/LPD (Reich) ✓  
WH/PA (Sims)

Distribute Bernard Nietschmann paper on suppression of Indians by FSLN.

State/LPD

Antonio Farach (Former FSLN Intelligence Officer)--media and Congressional meetings regarding Sandinista espionage, intelligence activities.

Republican  
Study  
Committee

Invite President's Duarte, Monge, Suazo, and Barletta to a very private meeting in Texas with key Congressional leaders so that CODEL can hear unvarnished concerns re Sandinistas and Democratic leaders' support for the FDN.

(Kuykendall)  
NSC (North)

Release paper on Nicaraguan media manipulation.

State/LPD

Publish and distribute as State Department document Nicaragua's Development as Marxist-Leninist State by Linn Poulsen.

State/LPD  
(Reich)

Declassify Nicaragua's Development as a Marxist-Leninist State by Linn Jacobowitz Poulsen for publication as State Department document (clearance request w/Casey).

State/LPD  
(Blacken)

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~~CONFIDENTIAL~~April 1-7, 1985Event

Request Bernard Nietschmann to update prior paper on suppression of Indians by FSLN (to be published and distributed by April 1).

AEI: Sponsor media events w/print and television media for Central America resistance leaders (April 1-7).

European Parliamentary delegation to meet with President Reagan (April 2).

Visit by Colombian President Betancur (April 3-4); possible Joint Session speech by Betancur.

Proposed Presidential television address on Nicaragua (April 4).

Second round of SFRC hearings on Soviet build-up in region (Helms) (prior to recess).

CODEL visits during recess (April 4-14). Nicaraguan refugee camps in Honduras and Costa Rica (include visit to freedom fighter base camp and hospital [REDACTED]).

CODEL visit during recess (April 4-14) with regional leaders of Central America. Regional leaders convey importance of resistance fighters in NU.

Administration and prominent non-USG spokesman on network shows regarding Soviet, Cuban, East German, and Libyan, Iranian connection with Sandinistas.

Publish updated "Green Book;" distribute personally to Congressmen, media outlets, private organizations, and individuals interested in Nicaragua. Pass to Lew Lehrman and other interested groups.

Distribute paper on geopolitical consequences of Communist domination of Nicaragua.

Release paper on Nicaraguan drug involvement.

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State/LPD  
(Blacken)

State/LPD  
(Reich)  
WH/OPL (Reilly)

National Forum  
Foundation  
WH/OPL (Reilly)

WHSpeechwriters  
(Elliott)  
NSC (North)

State/H

NSC (North)  
(Lehman)

NSC (North)  
(Lehman)

WH/PA (Sims)  
WH (Buchanan)  
State/LPD

State/LPD (Reich)  
WH/LA  
State/H (Fox)

State/LPD

State/LPD  
(Blacken)  
NSC (North)

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7

April 8-14, 1985 (During recess)EventResponsibility

25 Central American spokesmen arrive in Miami for briefing before departing to visit Congressional districts. Along with national television commercial campaign in 45 media markets.

CFA (Abramoff)

Targeted telephone campaign begins in 120 Congressional districts. CITIZENS FOR AMERICA district activists organize phone-tree to targeted Congressional offices encouraging them to vote for aid to the freedom fighters in Nicaragua.

CFA (Abramoff)

Lew Lehrman speaking tour of major U.S. cities.

CFA

Telephone campaign.

Central American spokesmen conduct rallies throughout the country in conjunction with CITIZENS FOR AMERICA activists (starting April 12).

CFA

Nationally coordinated sermons about aid to the freedom fighters are conducted (April 14).

Naval Institute Seminar in Newport, RI (Lugar, McFarlane [April 12]).

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8

April 15-21, 1985EventResponsibility

Nicaraguan Refugee Fund (NRF) dinner,  
Washington, DC; President as Guest of  
Honor (April 15).

State/LPD  
(Miller)  
NSC (Raymond)

Presidential report to Congress on reasons  
for releasing funds to freedom fighters  
(April 15).

NSC  
State

AAA available to Washington press.

State/LPD  
(Gomez)

Central American spokesmen visit Congressional  
offices on Capitol Hill (April 16).

Abramoff

SFRC Nicaraguan issues, open hearing  
(April 16-17).

Washington conference "Central America:  
Resistance or Surrender" (Presidential  
drop-by?) (April 17).

NSC  
Abramoff

Barnes' subcommittee hearing on Nicaragua;  
Motley, public witnesses (April 18)  
(2170 Rayburn, 2:00 p.m.).

Presidential Radio Address (April 20).

WH (Elliott)

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April 22-29, 1985EventResponsibility

House Appropriations (Obey subcommittee)  
intelligence brief on Central America/  
Latin America (April 23).

Obey subcommittee (panel on Central America),  
public witnesses (a.m.)/Administration  
witnesses (p.m.) (April 24).

Major rally in the Orange Bowl in Miami,  
Florida, attended by President Reagan and  
important Administration figures  
(April 28).

Cuban American  
National  
Foundation  
State/LPD  
(Reich)

Presidential calls to key members.

WH (Friedersdorf)  
NSC (Lehman)

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10

April 30, 1983Event

Vote in the U.S. Congress on aid to the  
Nicaraguan freedom fighters (April 30).  
President leaves for Europe.

Responsibility

WH (Friedersdorf)  
NSC (Lehman)

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CONFIDENTIAL~~CONFIDENTIAL~~March 30, 1985  
N 40319PUBLIC DIPLOMACY PRESIDENTIAL EVENTS  
REGARDING NICARAGUAN RESISTANCE

<u>Event</u>	<u>Responsibility</u>
<u>March 16-22, 1985</u>	
Argentine state visit; President emphasize need for OAS case (March 19).	WH (Elliott)
<u>March 23-31, 1985</u>	
Presidential breakfasts, lunches, and WHSR meetings with key Congressional leaders (March 24 through vote).	
President to meet in Room 450 w/"Spirit of Freedom," concerned citizens for Democracy. Representatives from 8 countries (180) (March 25).	
<u>April 1-7, 1985</u>	
Visit by various members of European parliaments who support the President's policies in Central America (April 2).	NSC (Raymond) WH/OPL (Reilly)
Visit by Colombian President Betancur (April 3-4); possible Joint Session speech.	
Presidential television address on budget (April 4).	WHSpeechwriters (Elliott)
Presidential meeting with AAA.	NSC (North)
<u>April 15-21, 1985</u>	
Conference on religious freedom; Presidential drop-by in Rm 450, OEOB.	NSC (Raymond)
Nicaraguan Refugee Fund (NRF) dinner, Washington, DC; President as Guest of Honor (April 15).	State/LPD (Miller) NSC (Raymond)
Presidential report to Congress on reasons for releasing funds to freedom fighters (April 15).	NSC State
Possible Presidential meeting with AAA.	NSC (North)
Possible Presidential visit with former Central American Presidents, Foreign Ministers, and Presidential candidates.	NSC (North) S/LPD (Reich)
Presidential Radio Address (April 20).	WH (Elliott)

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EventResponsibilityApril 22-29, 1985

Proposed visit to Washington by  
Presidents Monge, Duarte, and Suazo.

NSC (North)  
S/ARA (Michel)

Presidential calls to key members.

WH (Friedersdorf)  
NSC (Lehman)

Major rally in the Orange Bowl in Miami,  
Florida, attended by President Reagan and  
important Administration figures  
(April 28).

Cuban American  
National  
Foundation

April 30, 1985

Proposed Congressional vote; President  
leaves for Europe.

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# ONLY 53¢ A DAY WILL SUPPORT A NICARAGUAN FREEDOM FIGHTER

N 40315

In many areas of the world there are children who spend their days fighting for survival. They cry at night but no one hears.

Their parents were abducted by Communist forces because they spoke about "freedom." Some were executed by firing squads, others were shot in the back, still more died in political prisons.

To you this may sound like a nightmare, something you would see on the Late Show. Now in Nicaragua, it is a way of life.

I know. My name is Charley and I am a Nicaraguan counter-communist. A Contra. A Freedom Fighter.

I have taken up arms against the Soviet Empire and its satellite governments in Nicaragua and I need your help.

Last year, your Congress cut off our funding. People like Michael Barnes, Steven Solarz, and Ted Kennedy, who claim to be "friends of the people," said



that it was unethical to fund what born in Nicaragua is the "will of the people." There is no "no army" called Nicaragua. Only a nation of people living under a totalitarian regime headed by Cuba and the Soviet Union.

Aren't you as Americans, committed to governments of the people, by the people, and for the people? Isn't that what you fought for just over 200 years ago? If so, please help.

For \$16 a month you can help bring democracy to Central America. Regular meals, medical attention, and the chance to vote in a free and open election. That's all we want.

In America you have so much. We have nothing. Our very future and the future of the democratic world is at stake.

Please help me and my fellow patriots. We haven't got long.

*Vaya con Dios,  
Charley*

## SEND DEMOCRACY AROUND THE WORLD

SAVE THE CONTRAS. P.O. Box 78278, Washington, DC 20013-6878

Yes, I want to help Charley and his fellow Freedom Fighters in Nicaragua.

- ☐ Enclosed is my first month's payment of \$16.  
☐ Enclosed is \$162 for one year's supply of food, medicine, and clothing.  
☐ I can't send money now, but I will write my Congressman and tell him to support U.S. aid to the Contras.

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

"Save the Contras" is a project of the College Republican National Fund. Statement of income and expenses available on request.

# SAVE THE CONTRAS

Published by College Republican National Fund, 200 First St., Washington, DC 20002

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1

HSITS-75/87

**DEPOSITION OF OLIVER REVELL**

Thursday, June 11, 1987

U.S. House of Representatives,  
 Select Committee to Investigate Covert  
 Arms Transactions with Iran,  
 Washington, D.C.

The Committee met, pursuant to call, at 9:45 a.m.,  
 in room 2247, Rayburn House Office Building, with Pamela J.  
 Naughton (Staff Counsel, House Select Committee) presiding.  
 Present: Pamela J. Naughton, Staff Counsel, W. Thomas  
 McGough, Jr., Associate Counsel, Senate Select Committee;  
 Robert Gensman, Associate Minority Counsel, House Select  
 Committee.

Partially Declassified/Released on 1-26-88  
 under provisions of E.O. 12356  
 by N. Menan, National Security Council

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1 Whereupon,

2 OLIVER REVELL,

3 was called for as a witness, and, having been duly sworn, was  
4 examined and testified as follows:

5 MS. NAUGHTON: For the record, my name is Pamela  
6 Naughton. I am Staff Counsel to the House Select Committee to  
7 Investigate Covert Arms Transactions With Iran. If the people  
8 would introduce themselves.

9 MR. GENZMAN: Robert W. Genzman, Associate Minority  
10 Counsel for the House Committee.

11 MR. MCGOUGH: W. Thomas McGough, Jr., Associate  
12 Counsel to the Senate Select Committee.

13 THE WITNESS: Oliver B. Revell, Executive Assistant  
14 Director, Federal Bureau of Investigation.

15 BY MS. NAUGHTON:

16 Q It is my understanding that you appear today without  
17 counsel, is that correct?

18 A That is correct.

19 Q Is that your wish, to proceed today without counsel?

20 A Yes, it is.

21 Q Could you please state for us your employment  
22 history?

23 I guess educational background and employment  
24 history.

25 A I have a bachelors degree in political science, and  
economics from East Tennessee State University, a masters

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1 degree in public administration from Temple University,  
2 Philadelphia.

3 I was a Marine officer for five years, left active  
4 duty in '64 as a Captain, and joined the FBI as a Special  
5 Agent in November '64. For the past 22 years, I have been an  
6 FBI agent, and an officially, Assistant Director since June of  
7 '80 and then Executive Assistant Director since June 1985.

8 Q Could you explain to us, first of all, what the  
9 duties of the Assistant Director were? That is, your position  
10 from '80 to '85?

11 A I had two positions. The first position was  
12 Assistant Director in charge of Criminal Investigations. The  
13 title is self-explanatory. I was in charge of all Bureau  
14 criminal investigations.

15 Then in January of '81 I was assigned to the posi-  
16 tion of Assistant Director in Charge of Administration, where  
17 I was in charge of personnel, budget, finance and the various  
18 administrative matters under the auspices of the FBI.

19 Again, in May of '82, I was assigned as the  
20 Assistant Director in charge of Criminal Investigations. I  
21 stayed in that position until June of '85, when I was promoted  
22 to Executive Assistant Director in charge of Investigative  
23 and Intelligence Operations.

24 The Assistant Director in charge of Criminal  
25 Investigations is responsible for the terrorism program as

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1 well as all criminal matters, and <sup>most</sup> all background investigative  
 2 matters ~~handled~~ <sup>in</sup> 1985.

3 Q So, basically; your responsibilities shifted in  
 4 June of '85 from being responsible for criminal investigations  
 5 to including criminal intelligence and background?

6 A Well, background was included under criminal, but i  
 7 also included <sup>S</sup> all foreign <sup>Counter Intelligence</sup> operations. All investigative and  
 8 intelligence activities fall under my <sup>supervision</sup> ~~specification~~.

9 Q To whom did you report?

10 A The Director.

11 Q Was Mr. Floyd <sup>Clark</sup> ~~Clark~~ -- did he serve under you?

12 A Yes, <sup>and</sup> Still does.

13 Q What was his position during the period of '85  
 14 through '86?

15 A In '85 when I became Executive Assistant Director,  
 16 he became the Assistant Director in charge of the Criminal  
 17 Investigative Division. Previously, he had been one of my  
 18 deputies in the division.

19 Q And a Mr. Jim Wallace, can you tell us what his  
 20 position is?

21 A Jim Wallace?

22 Q Yes.

23 A We had an agent in the Criminal Investigative  
 24 Division, a supervisor named Jim Wallace. That is the only  
 25 one I am aware of. He was in the Terrorism Section.

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1 That is -- his duties were, I think pertaining to the Middle  
2 East and he was in the Terrorism Section, but I can't give  
3 you any further --

4 Q Was he at headquarters with WFO?

5 A The one I am thinking of was in headquarters in the  
6 Terrorism Section. I believe he still is.

7 Q What about Wayne Gilbert?

8 A Wayne Gilbert was the other Deputy Assistant  
9 Director in CID. He was responsible for general criminal  
10 and terrorism matters. Floyd <sup>Clarke</sup> ~~Clark~~ was responsible for  
11 organized crime and white collar crime matters. Mr. Clarke  
12 had no responsibility for terrorism until he became the  
13 Assistant Director. Mr. Gilbert had that responsibility.

14 Q I guess, let's take it from the fall of '84. Did  
15 you become involved in any operations or any intelligence  
16 gathering regarding the hostages held in Lebanon?

17 A No, not directly. At the time, until I moved into  
18 the Executive Assistant Director position, I was not on the  
19 terrorism working group. John Ottowas. And Wayne Gilbert  
20 represented the Bureau on the other primary body, which was  
21 the IGT -- the Inter-Departmental Group on Terrorism. I  
22 certainly would have reviewed and approved specific case  
23 activities of a level that would have required my approval,  
24 but I was not directly involved in any hostage type situations

25 Q Could you tell us about the IDGT -- I think you

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1 said?

2 A IGT.

3 Q We know about the T.

4 A The IGT is chaired by the State Department -- at  
5 the time, by Ambassador Bremer. It is the interagency group  
6 that deals in planning and policy formulation for the inter-  
7 agency coordination of terrorist activities or terrorist  
8 related programs and activities.

9 Q Has Wayne Gilbert been the representative to that  
10 body since late '84?

11 A He was a representative until he left headquarters  
12 and went to Pittsburgh, where he is now the Agent in Charge.  
13 He was replaced by Mr. Bob Ricks, who assumed that position.  
14 I think it has been about a year.

15 Q In your capacity, and this is till the late fall  
16 of '84 or very early '85, were you aware of any specific  
17 intelligence or operations to extricate either William Buckley  
18 or Peter Kilburn?

19 A Kilburn, yes.

20 Q Can you tell us about that?

21 A Buckley, no, nothing other than the general attempt  
22 on the part of the government to obtain information about him  
23 and his specific operations or activities.

24 Mr. Kilburn was kidnapped in November '84 in Beirut  
25 and in June of '85 the FBI received information that two

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1 [REDACTED] citizens had contact with individuals in Lebanon that  
2 alleged that they were in contact with the kidnappers. At  
3 this point --

4 Q So we are talking about the same thing, are these  
5 people of Armenian extraction?

6 A Yes, two [REDACTED] citizens of Armenian extraction.  
7 June of '85 I left the position *of Assistant Director* and became Executive Assistant  
8 Director, so direct supervision of the case stayed in the  
9 division, but in August of '85 a joint FBI/State Department  
10 initiative was taken concerning the two [REDACTED] actually  
11 one of the [REDACTED] and his attorney, and then in September  
12 of '85 we enlisted the assistance of the [REDACTED] because, as  
13 I said, we identified two [REDACTED] involved.

14 Then in October of '85, there was a joint undercover  
15 operation -- FBI-CIA, and [REDACTED] approved by Director Webster.

16 Q When was that?

17 A October 4, 1985. And that investigation and  
18 process continued up until Mr. Kilburn was killed in April of  
19 '86, with the involvement of FBI, CIA, State Department, NSC,  
20 [REDACTED]  
21 [REDACTED]

22 Q Can you describe -- we won't ask you to reveal  
23 sources, but can you describe in a general way what this  
24 operation consisted of? I am particularly interested in the  
25 joint undercover operating starting in October of '85.

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1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED]  
18 Q Did you come to learn that the captors were Iran  
19 political groups, a criminal group?

20 A We were not certain, but it appeared to us that it  
21 was a different group than the Hizballah and it appeared to be  
22 a group that was under some control of the Syrians, and that  
23 probably he was kidnapped for strictly monetary purposes,  
24 but was being used for political purposes.

25 As it came down, when he was killed, he was sold

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1 -- our intelligence is he was literally sold to a faction  
2 that supported Libya and executed as a result of the U.S.  
3 action in Libya. So it was fairly clear to us that we were  
4 dealing with a different group, although they claimed that  
5 they would be able to obtain information on the other hostages.  
6 We never saw any evidence of that, as we had with the Kilburn  
7 situation.

8 Q What was the general plan had it worked, to extri-  
9 cate Mr. Kilburn?

10 A I am concerned about discussing that on the record,  
11 because we still have hostages and we still have operations.  
12 I would be glad to tell you about it -- is this going to be  
13 classified?

14 Q Yes, it can be.

15 Off the record.

16 (Discussion off the record)

17 MS. NAUGHTON: Back on the record.

18 BY MS. NAUGHTON:  
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Colonel North was much more enthusiastic. He <sup>advised</sup> ~~that~~ ~~the~~ private funds ~~that~~ would be available, ~~that~~ there were certain American patriots that had offered to make funds available to facilitate the release of hostages, and that those funds, some of those funds could be used in this type of activity.

Expressed my disapproval of that, <sup>and</sup> told him I would discuss it with Judge Webster. I did --

Q Let's slow down for a minute. Was this at a TIWG meeting, or at a special meetings called to discuss this operation?

A This was at an OSG meeting.

Q Operations. Sub-Group?

A Of the TIWG.

Q And who was present?

A I don't know, but I can tell you who was normally present. Richard Armitage, Assistant Secretary of Defense; Charlie Allen and Dewey Clarridge from the CIA; Bob Oakley from the State Department; and General Moellering, the Assistant to the Chairman of the Joint Chiefs and myself from Justice, FBI.

Q Was Abe Sofaer there?

A No, he was not a member of the OSG. There were occasions when he came to meetings, particularly in dealing with legal issues, but the State Department was involved in

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1 this through Bob Oakley and I am sure he probably consulted  
2 with Abe Sofaer on occasion. I have no recollection that  
3 he was at a meeting in which this particular situation was  
4 discussed.

5 Q I have a calendar entry here for January 14th,  
6 1986 at which you met with Mr. North, Oakley, Moellering,  
7 Noel ~~Allen~~ <sup>Mr. Allen</sup>. Would this have been a  
8 meeting that this plan was discussed?

9 A I don't think so. I think that was another  
10 situation.

11 Q Was this meeting at the Old Executive Office  
12 Building?

13 A Yes. Almost all our meetings were in room 302  
14 after the reorganization of NSC <sup>staff as recommended by</sup> the Vice President's  
15 Task Force, that space was set aside for North, Earl and Coy  
16 and their staff.

17 Q You said that you, on behalf of the FBI, expressed  
18 opposition to using private monies. Can you tell us your  
19 reasons for that?

20 A I don't believe that the government has <sup>any</sup> business  
21 bringing in private citizens to fund operations that <sup>are</sup> were  
22 proper and necessary for the conduct of government business.

23 Now, ~~these~~ domestically, if the victims -- if  
24 the family of a victim or the employer of a victim chooses  
25 to pay ransom, we step aside and permit it. I don't agree

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1 with it, Judge Webster didn't agree with it, but it was going  
 2 to take place outside the U.S. <sup>and</sup> the auspices of a private  
 3 donor and be facilitated [REDACTED]. So, after expressing  
 4 our disapproval, we did not try to stop it other than stating  
 5 that we thought it was a bad -- it was unnecessary and  
 6 essentially improper.

7 Q What was the position of General Moellering?

8 A He really had not -- what was his position?

9 Q Yes.

10 A He was Assistant to the Chairman of the Joint  
 11 Chiefs.

12 Q What was his position on this issue?

13 A He didn't take a position. It was his responsi-  
 14 bility to provide whatever support the operation would need  
 15 and I don't think he made any comment on the advisability  
 16 or inadvisability of using private funds.

17 Q What about Ambassador Oakley or his representatives?

18 A Bob was usually there himself unless he was out of  
 19 the country. I don't recall -- this again didn't involve  
 20 State directly. It is my impression that he also thought it  
 21 was a bad idea, but I can't state that for certain.

22 Q Who was the CIA representative?

23 A Dewey Clarridge primarily. He is the operations  
 24 person there. <sup>and</sup> Charlie Allen would <sup>be</sup> the intelligence side  
 25 of the house, and from time to time it would be one of the

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1 deputies. So, I am not certain whether it would be Dewey or a  
2 deputy at that point.

3 Q Do you recall what the CIA position was with regard  
4 to the private money?

5 A I think they were in favor of it.   
6 

7 Q Do you know whether or not you or the CIA sought  
8 a legal opinion on the use of private monies?

9 A I don't know if we sought a formal legal opinion.  
10 It was certainly discussed within both Justice and the FBI.  
11 I confirmed with Director Webster that he thought it was a  
12 matter of policy, not law. ~~but that~~ He totally agreed that  
13 it was improper and that he didn't want the FBI to have any  
14 part of that.

15 The records may show that there was a formal  
16 opinion sought, but I don't recall off hand.

17 Q Do you recall whether or not the Attorney General  
18 was briefed on this point?

19 A I don't know. I didn't do it.

20 Q Did Director Webster ever tell you that he had done  
21 it?

22 A I don't believe so. He would have been -- we had  
23 an absolute plan that before any operations went forward this  
24 would go through the ~~CCPC~~ <sup>NSA</sup> to the President in a finding and  
25 it would be presented to the Congress. That was the

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1 intention from the outset, before we did anything operational,  
2 that there would be a full covert operation approval sought  
3 under existing procedures. So that, of course, would involve  
4 the Attorney General.

5 Q But I take it that no one considered the fact of  
6 taking private monies [REDACTED] and paying a source was any  
7 sort of covert activity that needed a finding, is that correct?

8 A I don't know what the CIA's deliberations were, but  
9 no, we did not raise that issue as requiring a finding. At  
10 least I <sup>didn't</sup> ~~don't~~ raise it, and I don't believe anybody at any  
11 other level did.

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BY MR. GENZMAN:

Q Were you privy to conversations with North on this issue?

A I had conversations with North at the OSG meetings when we would be discussing a number of items and would discuss the status of this case.

Q When he brought up the \$100,000 to be contributed by someone whom you later determined was Ross Perot?

A Yes.

Q Did he mention availability of additional funds?

A Yes. He said there were patriotic Americans who were willing to contribute a sizable sum of money to obtain release of the hostages.


We had general discussions about, <sup>type:</sup> -- I can't see the difference between the U.S. policy of no concessions and no ransom to terrorists, whether it was done by the government or facilitated by the government. He had in his mind that there was a difference. So we had a disagreement as to whether

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1 that was in fact in violation of U.S. policy. It was my view  
2 that it was, and Judge Webster's view that it was, and there-  
3 fore, we would not associate ourselves with it.



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10 BY MS. NAUGHTON:

11 Q The reason -- and correct me if I am wrong -- the  
12 reason the FBI was involved in this at all is because there  
13 may be a criminal violation if you get the captors or if you  
14 decide you are being ripped off by the middleman and decide  
15 to prosecute, is that right?

16 A We first became involved because the contact was  
17 made in Philadelphia, so it was in the United States. Hostage  
18 taking is a violation of U.S. law which is within the purview  
19 of the FBI irrespective of where it occurs.

20 Q Hostage taking of a U.S. citizen?

21 A Anywhere in the world, *It* is extraterritorial. So  
22 we had a jurisdictional connection and the first contact was  
23 made in the U.S.


24 Actually, the State Department <sup>had</sup> similar contacts  
25 at about the same time, so we proceeded jointly with State

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1 Diplomatic Security Service for a short time. We brought in  
2 the agency when we found out that a great deal of the  
3 activity was occurring overseas, first to determine the bona  
4 fides of the people we were dealing with,



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22 Q Leaving that subject now, were you aware of any  
23 similar efforts on the part of Drug Enforcement Administration  
24 to locate the hostages?  
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1 A We had discussed from time to time that [REDACTED]  
 2 [REDACTED] the DEA had some  
 3 assets in Lebanon, [REDACTED]

4 [REDACTED] That is all I knew.

5 Q Can we hold off for a minute -- when you say we had  
 6 discussed this within the Bureau, or at a ~~TWG~~ meeting?

7 A At OSG meetings.

8 Q How did this first come up?

9 A In discussions on [REDACTED] the  
 10 hostages. ~~The OSG met weekly from when it was formed in~~  
 11 ~~February of 1986.~~

12 Q So you began going when it was formed?

13 A Right. I was a member of ~~TWG~~ before but OSG came  
 14 about as a result of a recommendation of the Task Force on  
 15 Terrorism.

16 Q So you do not recall discussing the possibility of  
 17 using DEA prior to February of '86?

18 A We never discussed the possibility of using DEA.  
 19 ~~We discussed that~~ <sup>the fact</sup> that DEA had in place assets [REDACTED]  
 20 [REDACTED]

21 Q So DEA could theoretically be used to [REDACTED]  
 22 [REDACTED]

23 A Right. I never knew that any DEA agents were  
 24 assigned to NSCStaff or to North. The first time I heard  
 25 that was when Charlie Allen told me he had been asked that

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1 question by this committee.

2 Q Have you since read about it in the newspaper  
3 media?

4 A Yes, and discussed it with Director Webster.  
5 Would you like to see exactly what happened?

6 Q Of course.

7 A I did not classify this and there is no reason to,  
8 but this is it, including my little cryptic note that I took  
9 on the plane. I was enroute to Brussels with the Attorney  
10 General and Charlie Allen when he raised the question. This  
11 is a note I made to my self and this is my discussions with  
12 Judge Webster.

13 Could I take a short break?

14 (A short recess was taken)

15 BY MS. NAUGHTON:

16 Q Let's take it step by step then. You said that  
17 in February of '86 when the Operation Sub-Group was formed,  
18 there was discussion about utilizing in some way DEA assets  
19 in Lebanon?

20 A I don't recall the specific dates because it was  
21 never an agenda item, it would simply come up in our discussion

22 [REDACTED]  
23 So at some point there was discussion of the  
24 possibility of using the [REDACTED]  
25 [REDACTED]

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1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 Q Do you recall who brought this subject up at the  
8 meetings? In other words, was Charlie Allen a proponent of  
9 this, was Oliver North a proponent of this?

10 A I think we all were. I may have raised it,  
11 Charlie may have raised it. In view of the fact that I had  
12 the closest relationship with the DEA, it may well have been  
13 that I raised this as an asset that we ought to look at,  
14 Not as a proposition, simply as a matter of discussion.

15 I don't recall who specifically raised it, but  
16 there was a consensus of those involved that any assets the  
17 U.S. had under any auspices ought to in some way be tasked  
18 to come up with information on the hostages.

19 Q Did Oliver North tell you at this point in February  
20 '86 or at a later point, that DEA agents were involved  
21 operationally?

22 A He did not.

23 BY MR. GENZMAN:

24 Q Did he at any time?

25 A No, he never told me that. I never knew that until

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1 Charlie Allen raised it with me. And neither did Director  
2 Webster. When I asked him, he did not know it as well.

3 BY MS. NAUGHTON:

4 Q When did you ask Director Webster about it?

5 A When I came back from Brussels. April 1987.

6 Q So you never discussed DEA involvement with the  
7 Director until April of '87?

8 A We had discussed the potential of using DEA assets  
9 and this is a matter of information, and he agreed that  
10 whatever assets were potentially available should be used.  
11 But we never discussed any sort of DEA ~~seconding~~ <sup>the</sup> of personnel  
12 or DEA assets working for the NSC [REDACTED]  
13 [REDACTED]

14 I had discussions with Webster on <sup>the</sup> generic  
15 use of U.S. assets irrespective of the particular agency [REDACTED]  
16 [REDACTED] attempting to come up with information on the hostages.

17 Q Do you know whether or not Judge Webster ever  
18 discussed this with Jack Lawn, the Administrator of DEA?

19 A He indicated that he ~~know~~ <sup>did not know</sup> about the use of <sup>DEA</sup> agents  
20 <sup>he been</sup> ~~for he had not told him~~ about agents working under <sup>the</sup> direction  
21 of Colonel North or the NSC.

22 Q So, Administrator Lawn was told that their assets  
23 were being worked for information?

24 A I believe that is correct.  
25

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BY MR. GENZMAN:

Q Can you follow up to make it clear as of April 29, 1987, you sent a memo to Judge Webster?

A No, I had the discussion with <sup>him</sup> on April 29. I sent a memo <sup>To him</sup> on May 7th.

Q During the discussion he indicated to you that he did not know that the DEA agents were being used by the NSC?

A Right. Precisely. He confirmed to me that he was unaware DEA agents were being used in any capacity to assist Colonel North and he attempted to place a phone call <sup>To Jack Lawn</sup> at that time. He was aware that  they had been

productive. At least he didn't indicate to me.

BY MS. NAUGHTON:

Can we go back? I want to get the sequence straight. During the period then of February '86 through March of '87, was there ever a point at which the Director specifically, to your knowledge, called Administrator Lawn to discuss the use of DEA for these purposes?

A To my knowledge, after my discussion with him, he talked with Jack Lawn and I don't know any other occasions other than what I mentioned previously, ~~that~~ At some point, Jack Lawn had mentioned to him that DEA assets could be used or were being used, I am not sure which, to obtain information

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1 on the hostages. I don't know when that was, but Judge  
2 Webster indicated that Jack had mentioned that to him.

3 Q Do you know whether or not Director Webster ever  
4 discussed with Administrator Lawn the use of private funds to  
5 be used, such as the way as they were in the Kilburn situation?

6 A No, I don't have any knowledge that it occurred,  
7 and in fact, he indicated to me that he had not had discussions  
8 in this area, so I would presume not.

9 Q Director Webster told you he had not discussed  
10 money with Mr. Lawn?

11 A He had not discussed anything other than DEA assets  
12 being tasked to provide information on the hostages. From that  
13 I presume he did not have any discussions on the funding, but  
14 I don't know for certain.

15 Since he took the position ~~with me~~ that was  
16 identical to mine, that private funding was improper, I think  
17 he would have mentioned it to me if that had come up in his  
18 conversation with Jack Lawn.

19 Q Now, I gather you did not have a specific  
20 conversation about this until this April meeting?

21 A Yes.

22 Q Could you tell us first of all, what this Trevi  
23 Group is, the purpose of your visit to Brussels?

24 A The Trevi Group is the European Community Ministers  
25 of Justice ~~at~~ <sup>who</sup> Interior <sup>who</sup> meet biannually to discuss primarily

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1 terrorism and some related issues such as border control.  
 2 They formed a structured group around this process. The first  
 3 meeting was in Rome, therefore the Trevi ~~meeting~~ became the  
 4 name of the group, the Trevi meeting.

5 ~~The Attorney General~~ <sup>These OFHS ON</sup> ~~at the OSG~~ <sup>were</sup> ~~was~~ concerned with  
 6 a lack of information, cooperation and exchange between ~~the~~  
 7 U.S. law enforcement <sup>and</sup> and European law enforcement <sup>ment</sup>. ~~And~~ I  
 8 suggested that the Attorney General might be willing to  
 9 approach the Trevi Group to try and facilitate at the political  
 10 level what we were working <sup>on</sup> at at the operational level.

11 The OSG agreed ~~that~~ collectively that would be  
 12 helpful, ~~and~~ I approached the Attorney General and he agreed  
 13 to undertake this -- this was the third such meeting that I  
 14 <sup>attended</sup> went with him. Jerry Bremer, Charlie Allen and myself.

15 Q Did the Attorney General regularly attend the OSG  
 16 meetings?

17 A He never attended the OSG meetings.

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1 Q Didn't you tell us earlier that the Attorney  
2 General at an OSG meeting was concerned --

3 A I don't think so. If I did, I misspoke, because  
4 he never attended. He attended the NSPG meetings. He is a  
5 member of the NSPG, but I represent the department on the  
6 OSG. The Deputy Attorney General represents the department on  
7 the ~~TWNG~~, and I represent the bureau on the ~~TWNG~~.

8 Q So the Attorney General, Mr. Allen and yourself  
9 went to Brussels in late April of 1987?

10 A <sup>with</sup> Mr. Bremer. Correct.

11 Q When did the subject of the Iran contra hearings  
12 come up?

13 A They didn't come up in that context. Charlie Allen  
14 and I had a private discussion on 28 April on board the plane  
15 this was <sup>between</sup> the two of us. The Attorney General ~~and~~ Ambassador  
16 Bremer nor anyone <sup>else</sup> was privy to it. He asked if I knew the  
17 Chief Counsel, Mr. Liman, and I said only by name. He said  
18 Mr. Liman had showed him a document which was an action  
19 paper from North to McFarlane regarding the use of DEA  
20 agents to effect the release of hostages in June or July  
21 of '85.

22 He went on to state that the agents had been  
23 secunded to Ollie North by Jack <sup>Lawn</sup> ~~Lawn~~ and traveled overseas,  
24 that they had spent \$60,000 of DEA funds on behalf of the  
25 NSC. He wanted to know if I was aware of this. I told him  
I was not. He wanted to know if the Director was aware of

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1 it, and I said I don't think so. When I got back on the  
2 29th, I brought it up with the Director and confirmed that  
3 he didn't know about this.

4 Q What was Mr. Allen's knowledge?

5 A He had none.

6 Q Did he say he had no knowledge of the June-July  
7 '85 DEA operation?

8 A He said he had no knowledge of DEA agents, of DEA  
9 being seconded to or working for Ollie North.

10 MR. GENZMAN: Would you define the term "seconded"?

11 THE WITNESS: Actually reporting to the officer or  
12 office rather than to their home or parent agency that they  
13 were detached and assigned to.

14 BY MS. NAUGHTON:

15 Q How is it then that he got their names?

16 A Out of a memorandum Mr. Liman showed me. *lim.*

17 Q Did he say he did not know their names before being  
18 shown the document?

19 A I don't know that.

20 Q Did you get that impression?

21 A No. I don't recall he gave any. *and* In fact, the  
22 impression I got was that he was very shocked that DEA was  
23 in direct support of the NSC [REDACTED] and that  
24 when I told him that we knew nothing about it, that the  
25 Director, who had oversight responsibilities over DEA, was

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1 also not aware of any such activity.

2 So my impression of Charlie's reaction was that he  
3 was shocked that we didn't have the information, as he  
4 didn't have the information. But everything he told me he  
5 advised had come out of this memo Mr. Liman had showed him.  
6 He did not indicate independent knowledge on his part.

7 Q Did he say whether or not he had ever met the DEA  
8 agent?

9 A No, he didn't mention that. He did mention some-  
10 thing about one of the DEA agents being <sup>a</sup> a rogue or having  
11 a reputation of being a rogue. That wouldn't have come out  
12 of the memorandum, so obviously he knew something about one  
13 of the agents. He didn't indicate where that came from, so  
14 he may have had knowledge about one of the agents through  
15 other means, but he didn't discuss that with me.

16 Q I am a bit confused, because the plan was, as you  
17 understood it, that DEA would be working

18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]

21 A About DEA agents working for the NSC. I would have  
22 expected him to know if DEA agents were being [REDACTED]  
23 [REDACTED] but that is clearly not what  
24 was involved here. So I was not at all surprised that he  
25 claimed to have no knowledge of this very peculiar, very

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1 peculiar type of arrangement because [REDACTED] was the agency  
2 that should have been doing this.

3 Q How did the discussion of the \$60,000 of DEA money  
4 come up?

5 A He just recited to me what he could remember from  
6 the memorandum, and that is what he recollected

7 Q Did Mr. Allen indicate whether or not the CIA had  
8 given the DEA agents any money?

9 A No. I don't see how he could have when he indicates  
10 that the CIA knew nothing about it. Now, let me go back --  
11 I don't know this, I am speculating with you -- it is very  
12 possible that either Charlie Allen, Dewey Clarridge or  
13 Claire <sup>or</sup> George may have met with one or both these agents  
14 early on [REDACTED]

15 [REDACTED] so I don't find that to be mutually exclusive.

16 There is a big difference between meeting with a  
17 DEA agent [REDACTED] <sup>and</sup> then being  
18 assigned to and working for <sup>an</sup> NSC staffer. I just want to  
19 make sure that I am not excluding that as a possibility. I  
20 don't know.

21 Q I take it, then, that you never met or saw [REDACTED]  
22 [REDACTED]

23 A No.

24 Q Did Oliver North ever mention those names to you?

25 A No. He did mention on one occasion that he was

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36

drg-5

1 meeting with Dave Westrate, who was the <sup>Asst.</sup>~~Deputy~~ Administrator  
2 for Operations at DEA, about DEA assets. That is the only  
3 occasion that I can ever recall him talking about meeting  
4 with anybody from the DEA, and he didn't mention specifically  
5 what the purpose of the meeting was.

6 Q Do you know Mr. Abraham Assam, A-s-s-a-m?

7 A Yes.

8 Q In the context of this hostage thing, did you work  
9 with him at all?

10 A No.

11 Q Have you worked with him on anything pertaining  
12 to hostages?

13 A I have never worked with him directly on any  
14 project.

15 Q Were you aware that he had been assigned by DEA  
16 to attend the hostage location task force meetings?

17 A I was not.

18 Q You did not participate, then, in the hostage  
19 location task force?

20 A No. The FBI did, but I did not, personally.

21 Q Do you recall who the FBI representative was?

22 A It was an agent from our Washington field office  
23 that would attend the meetings. I don't know the name of  
24 the agent.

25 Q Would this be someone from the terrorism --

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37

1 A It would be -- not the Terrorism Section, that is  
2 part of Headquarters. It was an agent from our Washington  
3 field office, which is detached from Headquarters and would  
4 be assigned to a terrorism case. He would report to the  
5 Headquarters pertinent information.

6 Q What was your understanding of the HLTF, in other  
7 words, of its membership and who chaired it?

8 A It was chaired by Charlie Allen, created by the  
9 DCI. Its purpose was to have continual focus on the location  
10 of the hostages and any potential activity that could be  
11 used to free the hostage. It had certain, I think personnel  
12 from DIA and military seconded to the task force. They  
13 produced weekly reports, collated all the intelligence, did  
14 analysis, and in fact they still do, and served as a focal  
15 point for all information relating to the hostages.

drg-end  
jq fols

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*The only reason to  
repeat first & last  
name is to avoid saying  
Major Major's.* 38

jm 1

stein 18

Q To your understanding, did Oliver North participate in the HLTF?

A I don't think I know he got the reports, but I have no knowledge that he directly participated in the HLTF meetings. He may have had one of his staffers attend the meetings, I am not certain.

Q Do you know a Major [REDACTED] (B) 14

A Well, I don't know him. I believe the name is associated with one of the military <sup>officers</sup> assigned to the HLTF, but I am not certain.

Q Did you ever speak to him that you can recall?

A Not that I can recall. It is possible I did. I believe I received a phone call from a Major [REDACTED] at some time in the past, but I have no recollection of having a direct contact with him. But I believe that at one time or another [REDACTED] may have received a call on the secure phone from a Major [REDACTED] having to do with the HLTF, but I don't recall. That name sort of rings a bell in that context. (X)

Q Did you receive a weekly report from the HLTF?

A An officer of the HLTF would come to my office, I would read the report, and then I would return it to him and he would take it back, so I reviewed the weekly reports, read them, but didn't retain copies of them.

Q Did you ever see any options papers presented by the HLTF, you know, outlining different plans to extricate

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1 hostages?

2 A I don't recall seeing <sup>him</sup> -- I saw the weekly reports,  
3 but I never recall seeing option papers. It is possible,  
4 but I don't recall seeing them. They reported all the  
5 documents that were reviewed; so it would be in the record  
6 as to whether I did or not.

7 Q Do you recall attending any meetings or discussing  
8 with DCI Casey the whole subject of how to extricate the  
9 hostages?

10 A No, I have attended meetings with the DCI on  
11 intelligence matters. I went to a breakfast with him  
12 shortly after I assumed my responsibilities as Executive  
13 Assistant Director. We discussed terrorism in general.  
14 I don't recall we every mentioned anything to do with the  
15 hostages, specifically, and certainly no operations.

16 I had a number of meetings with the Deputy Director  
17 for Operations.

18 Q Mr. George?

19 A <sup>Clair</sup> ~~George~~ George.

20 Those started during the Vice President's Task  
21 Force, and from time to time we would have discussions,  
22 but never -- we never discussed any specific plan for  
23 rescuing the hostages. I don't believe I ever discussed  
24 the Kilburn case with him directly. I probably did, but I  
25 don't recall.

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jm 3

1 Q As to the DEA involvement, did you ever discuss  
2 that with anyone at the CIA other than Charlie Allen?

3 A No.

4 Q How about any other agency?

5 A No.

6 Q To your knowledge, was the Attorney General aware  
7 of the DEA involvement?

8 A Only after the fact -- my knowledge is after the  
9 fact. I understand that he was to some degree, but I had  
10 no knowledge of that up to the point of receiving this  
11 information.

12 Q Okay. What has your knowledge been since?

13 A That Jack <sup>Lynn</sup> ~~Beun~~ had indicated to Director Webster  
14 that the Attorney General was aware of the DEA ~~matter~~ being  
15 assigned to assist in the matter.

16 Q How did this knowledge come about, in other words,  
17 how did you learn of this?

18 A I think that ~~my~~ <sup>Clay</sup> Clarke told me that he had talked  
19 with either Dave Westra ~~the~~ or Tom Kelly, the Deputy  
20 Administrator, but I don't believe that Jack told me that  
21 directly.

22 Q Do you remember when this was?

23 A It was after it came out in the newspapers and  
24 was a matter of public information.

25 Q Did you ever attend any meetings or have any

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jm 4

1 meetings or have any discussions in which the Attorney  
2 General participated regarding release of the hostages?

3 A Not release -- we had a number of bilaterals  
4 from time to time with Italy, with the United Kingdom,  
5 Canada. Terrorism was always a topic of these bilaterals.  
6 Normally the hostages would be mentioned, but never specific  
7 plans or operations or operational activity.

8 It would be in the area of information sharing,  
9 enhanced cooperation, and so forth. I can't recall ever  
10 being at a meeting <sup>concerning the release of hostages</sup> where the Attorney General was present.  
11 I have had meetings with him. Steve Trott ~~became~~, when  
12 ~~Lovell James~~ left the department, became the department  
13 rep on the TING. There have been meetings of the OSG where  
14 I have asked for Steve Trott to attend and we have discussed  
15 other things related to the hostages, particularly an arrest  
16 scenario with the Marshall Service. But I don't have any  
17 recollection of the Attorney General being at a meeting that  
18 I attended wherein there was specific direct discussions  
19 of operations to either rescue the hostages, or related to  
20 the hostages.

21 Q Now, to the Iranian arms sale. Do you recall when  
22 you first heard about this?

23 A I put together a chronology.

24 Q Before we leave that other subject, I notice you  
25 have brought -- you did bring other files. Did we miss

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jm 5

1 anything as far as hostage extrication or hostage plans that  
2 maybe we should be aware of?

3 A As I say, we have certain ongoing activities  
4 that I am not at liberty to discuss because they are  
5 ORCON activities, not FBI plans.

6 Q Are there any plans or was there anything with which  
7 you were involved that Oliver North was also involved?

8 A I don't think so, but as we go through something  
9 may come to mind. There were so many things. I saw  
10 Oliver North at least once a week in the OSG meetings.

11 He probably called me two or three times a week  
12 if something was going on. We met in TONG on a continuous  
13 basis. It is possible that something else was mentioned to  
14 me at some time.

15 I have no such recollection -- if it comes back --  
16 but other than the Iranian situation, he did mention, of  
17 course, and I will go through on the Iranian situation when  
18 he called me on the Southern Air Transport.

19 Q I want to discuss specific cases, criminal cases  
20 with you later down the road. I am talking now about, I  
21 guess, your intelligence hat more than your criminal hat  
22 with the hostage situation.

23 A Well, there were some instances where we provided  
24 some coverage, there were some meetings that took place  
25 in Washington, but I can't recall any other initiative

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PAGE 43, 44, 45, AND 46

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jm 10

1  
2 Q Do you recall Oliver North ever calling you to  
3 tell you ~~that~~, to get someone over to Germany?

4 A In the first place, Oliver North couldn't tell me  
5 to do anything. Let's put that on the record.

6 I have read it in the papers so damn much, I want  
7 that very clear.

8 Oliver North was a staffer who facilitated a  
9 process. No one in the NSC could give me orders. No one  
10 ever tried to give me orders. I made it clear to them  
11 that my chain of command was from the President to the  
12 *To the FBI DIRECTOR* Attorney General, to me. So there was never a situation  
13 in which I was tasked, ordered or directed by anyone at the  
14 White House to take any sort of initiative. Obviously we  
15 worked in a coordination<sup>ed</sup> fashion, so if information came  
16 in that there was a hostage that had been released, or was  
17 about to be released, and we ought to put the contingency  
18 plan into operation, I would do so. The only time I can  
19 recall is, I believe, ~~that~~ the October 1986 instance where the  
20 information came from North that there was an expectation  
21 that additional hostages might be released [REDACTED]  
22 [REDACTED]

23 I think in all the other situations it came from  
24 the State Department.

25 Q This was November 1985?

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A November 1986, is the only time I recall Colonel North being involved. All the other situations were from the office of Ambassador Oakley, who had the lead responsibility on the hostage situation as far as action to be taken after.



Q On that issue, did Oliver North or Charlie Allen ever tell you not to discuss certain things with the State Department?

A Not me. I don't know if they ever said anything to anybody else. As I said, I would not accept directions from anyone that I thought---

Q Did they ever intimate that perhaps something should be kept from the State Department?

A No.

Q On the Iranian arms sale, you did learn about it some time in early 1986; is that correct?

A No. July 30, 1986.

Q Could you tell me how you learned about it?

A At an OSG meeting. Can I read this to you, because this is my recollection that I put down, or do you want me to just discuss it?

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jm 12

1 Q Well, if you would like, we can attach it to the  
2 record.

3 A I am willing to provide you with this whole  
4 chronology. This is a chronology plus a narrative of every-  
5 thing I know about the hostage situation.

6 Q We better identify it for the record.

7 A I will have to get that copied.

8 Q We have a record here called chronology of informa-  
9 tion received by director, FBI concerning U.S. Government  
10 initiative towards Iran, and the first entry is July 31,  
11 1986.

12 When was that chronology prepared?

13 A I prepared that chronology for Director Webster's  
14 confirmation hearing.

15 Q We will make this a formal request to get a copy  
16 of that from you. For the record, Mr. Webster's confirmation,  
17 that is to the CIA post, was in April of 1987?

18 A Right.

19 On July 30th, at the regular OSG meeting,  
20 Colonel North brought up what he called the Iranian initiative.  
21 He started with a sort of a preamble of the President's  
22 concern with the strategic importance of Iran and the need  
23 for the United States to have the ability to deal with the  
24 post Khomeini regime, and the importance of Iran not coming  
25 under the influence or domination of the Soviet Union, and

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1 of the United States maintaining -- this is rather prophetic --  
 2 access on the part of Western Governments to the Persian  
 3 Gulf. He advised us that the President had authorized a  
 4 covert initiative and had signed a finding to authorize  
 5 contact with an element of the Iranian Government.

6 He identified that element was being headed by  
 7 the speaker of the Majlis, Hashemi Rafsanjani. Then he  
 8 went on and put in the kicker, that in order to show good  
 9 faith, the American emissaries, to show their access to and  
 10 support by the President, had been authorized to arrange  
 11 the shipment of a small number of anti-tank missiles and,  
 12 other spare parts.

13 In return, the Iranian group had agreed to use  
 14 their influence in attempting to obtain release of American  
 15 hostages held by the radical Shia<sup>e</sup> in Leb<sup>on</sup>an that this  
 16 finding had been signed by the President in January.  
 17 We went into some questions.

18 Q Why does he tell you this in July of 1986?

19 A Frankly, I think he probably became concerned  
 20 that we might find out about it otherwise because we were  
 21 investigating a number of neutrality cases and I suspect  
 22 that it was becoming very difficult to maintain the cover  
 23 on this without it being inadvertently discovered through  
 24 other intelligence collection activities.

25 Q Who was at this meeting on July 30th?

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jm 14

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1 A Bob Oakley, Richard Armitage, John <sup>(moellering)</sup> Moellering, I  
2 believe, both Charlie Allen and Duane Clarridge, and North,  
3 and myself.

4 Q Did you get the impression that any of these  
5 people were surprised to hear this?

6 A Well, I found out, in fact, some of them already  
7 knew it. I can go through that in the follow-up discussion  
8 here.

9 Q Go ahead.

10 A I asked as to whether the initiative had been  
11 approved by the NSC and the Attorney General. Colonel  
12 North advised that the Attorney General had approved the  
13 finding and that the initiative had been approved by the  
14 NSC members. <sup>Bob OAKLEY and CAROL STATE</sup> The Secretary had concern over providing  
15 weapons to Iran. Assistant Secretary Armitage also  
16 indicated that Secretary Weinberger was concerned about the  
17 provision of weapons to Iran, indicating both of them knew  
18 about this before this meeting.

19 I advised the OSG members that although the  
20 approach to an element of the Iranian Government was a  
21 political matter beyond the scope of the FBI's responsibilities  
22 I was concerned about connecting the provisions <sup>ding</sup> of weapons  
23 to the Iranians, <sup>such</sup> further support <sup>to obtain the</sup> in release of hostages  
24 as this appeared to be inconsistent with the findings of  
25 the Vice President's task force and existing U.S. policy.

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jm 15

1 North made a distinction. He pointed out that  
2 the element that the U.S. Government was dealing with did  
3 not control the Hizballah, and had assured the U.S.  
4 representatives that the Iranian Government was not  
5 responsible for the acts of terrorism against the U.S.

6 I then told the OSG members that I would be  
7 confirming this with the -- not confirming, be advising  
8 the director and confirming with the Attorney General  
9 this information.

10 Q Did you?

11 A Yes. The director was out of town. He got back  
12 August 5, and I met with him privately after a general  
13 briefing, and raised this with him, gave him the same  
14 information I just related to you.

15 Q August 5th?

16 A August 5, 1986. I gave him the information  
17 I just recited to you, including the fact that the  
18 Attorney General was supposed to have reviewed and approved  
19 the finding. The director wanted to know if there had  
20 been any requests for the bureau to undertake any actions;  
21 I said, no, it was strictly an informational briefing.

22 He told me he would contact the Attorney General  
23 and verify it.

24 Q Did Judge Webster express surprise at this?

25 A Yes. He had the same concerns I did that it was

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jm 16

1 inconsistent with U.S. policy, not the initiative, but  
2 to be exchanging arms for influence in the release of  
3 hostages. This appeared<sup>e</sup> to us to be totally inconsistent  
4 with what we had just reaffirmed in the Vice President's  
5 task force process.

6 But he agreed that it was not illegal. That  
7 there was a Presidential finding and he wanted to verify  
8 that with the Attorney General.

9 Q Was there ever any discussion regarding how that  
10 might affect the pending neutrality cases or arms to Iran,  
11 criminal cases?

12 A NO, because each time we had one of those cases  
13 we went to the intelligence community and found out quote--  
14 "there was no connection."

15 Q Those are famous last words.

16 A So we, perhaps naively so, proceeded on the  
17 assumption that this was a totally separate activity. We  
18 did not know how it was being done and we were not told how  
19 it was being done, but we and each time requested information  
20 as to whether there was government approval involved in  
21 the other cases, and had been assured that there was not;  
22 so we proceeded accordingly.

23 Q So your main concern when talking to Judge  
24 Webster was, I suppose, a policy one, and a legal one, whether  
25 indeed there was a finding?

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jm 17

1 A If there wasn't a finding then we would have  
2 probably an arms export violation or a neutrality violation  
3 although the latter would be unlikely because that would have  
4 required people to move from the United States to carry out  
5 armed activities.

6 Q To your knowledge, did the director go to the  
7 Attorney General?

8 A Yes. He told me that within the next week to 10  
9 days, he didn't remember the specific date, but within the  
10 next week to 10 days he advised me that he had confirmed  
11 with the Attorney General his knowledge of the Presidential  
12 directive on the Iranian initiative, and the Attorney  
13 General had approved the finding at the White House.

14 Q Did the Attorney General tell him he fully approved  
15 it at the White House?

16 A Yes. That was what the director related to me.

17 Q Do you know whether anyone else at main Justice  
18 was aware of this?

19 A I don't believe so. I never discussed it with  
20 anybody other than the director, because it was compartmented,  
21 SCI, I couldn't take any documents out, I couldn't produce  
22 any documents. It was very tightly sealed, and to my know-  
23 ledge, the only person in the department that saw the finding  
24 was the Attorney General.

25 Q When North briefed you all on July 30th, did he  
26 give any instructions or did he give any reason other than

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1 your supposing just for informational purposes?

2 A Well, the purpose in the briefing -- we were  
3 dealing with the hostage situation on a daily basis. We  
4 were dealing with Middle Eastern terrorism on a daily basis.  
5 To have this initiative ongoing while we were collecting  
6 intelligence, planning possible operations and doing a lot  
7 of other things certainly could lead to an inadvertent  
8 exposure of that activity. I can't go into the rationale,  
9 but it seemed evident to me that it was considered important  
10 that this particular group which had under Presidential  
11 directive, the responsibility for coordination of counter-  
12 terrorist activities, to be <sup>vett</sup>~~be~~ed into this particular  
13 initiative, so it was very late, six months after it had  
14 been approved---

15 Q What exactly did North tell you about the shipments  
16 and when they were shipped and what was shipped?

17 A He just indicated that there had been shipments.

18 Q Did he indicate that there were any shipments  
19 prior to January of 1986?

20 A No. He didn't indicate how many shipments or  
21 when, but that there had been authorized shipments.

22 Q Did he tell you when the authorization was signed?

23 A He said January 1986.

24 Q Did you understand that to mean that the shipments  
25

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jm 19

1 began on or after January 1986?

2 A I took it at its face value, there had been a  
3 Presidential finding, and there had been small amounts of --  
4 described them as a small number of anti-tank missiles,  
5 and spare parts.

6 Q Did Mr. North explain any involvement by the Israeli

7 A No.

8 Q Did he ever discuss the shipment of either HAWK  
9 missiles or SIDEWINDER missiles?

10 A TOW missiles are the only ones I recall being  
11 specifically mentioned by name.

12 Q Did he explain anything at that meeting about the  
13 funding?

14 A No.

15 Q And I take it, he did not say the proceeds were  
16 going to contras?

17 A No. He did not. I was not even aware that  
18 there was a civilian involvement. Because Armitage had  
19 indicated that DOD was involved, and the CIA was involved,  
20 so it was my presumption that those agencies <sup>which</sup> would have  
21 that responsibility were the ones that were doing it. He  
22 did not go into it, nor did anyone else that may have been  
23 privy to this, indicated private involvement.

24 Secord's name or Hakim's name were not mentioned.

25 Q Were you aware of the private investigation regarding  
General Secord?

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jm 20

1           A     Yes. That name came up one time with regard to  
2 Southern Air Transport.

3           Q     After the conversation with the director on  
4 August 5, 1986, and up until the SAT investigation, was there  
5 any other event regarding the Iran arms sale?

6           A     The Iran arms sale, no; hostages, yes, which at this  
7 point the two had become intermingled. Well, actually, the  
8 Southern Air Transport comes before. I had another call  
9 on October 31st, indicating the imminent release of the  
10 hostages or some of the hostages was possible.

11          Q     This was from North?

12          A     Yes. And that we ought to put the -- this actually  
13 occurred at an OSG meeting, and North made the statement  
14 that over the weekend we could possibly expect one or  
15 two hostages and asked that the agencies

16 [REDACTED]  
17 I came back and advised Webster.

18          Q     Do you recall, did you ever send [REDACTED]  
19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]  
24 [REDACTED]  
25 [REDACTED]

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[REDACTED]

Do you want me to do that?

A Yes, if there were any other, I will call them false alarms.

A Why don't I find out [REDACTED]

[REDACTED]

Q That would be great; and the dates?

A Okay. Because on three occasions, of course, there was a hostage.

Q For the October 1986 one, were you expecting more than one hostage?

A He said one or two.

Q When the director told you he had consulted with the Attorney General to see if he had indeed approved it, did he give you any indication what the Attorney General's position was on policy matter about this?

A I am a little uncomfortable in relating to you conversations between the director and the Attorney General. They ought to be given by them.

Q We will be asking them. I have already asked the director.

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jm 22

1           A     The director and I discussed <sup>again</sup> ~~again~~ the policy and  
 2     he said the Attorney General doesn't seem to have any  
 3     problem with it, which was amazing to us, because we  
 4     thought that he would have at least expressed a reservation  
 5     as to potential impact on U.S. policy and our standing vis a  
 6     vis, other countries in carrying out the policy.

7           I was a little concerned as to how this had  
 8     been presented to the Attorney General. At times  
 9     things could be presented in a way that would seem to be  
 10    perhaps more constructive than we might view them.

end jm  
 dotson fls

11           (Whereupon, at 11:40, there was a brief recess.)  
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Dotson/drg  
Take #2  
11:50 a.m.

1 BY MS. NAUGHTON:

2 Q You had mentioned, we were in the time period from  
3 August of 1966 until the SAT investigation, which I gather  
4 started about the 2nd of October, and you mentioned the  
5 hostage location [REDACTED]

6 A [REDACTED]

7 Q Were there any other events between August 5 and  
8 the second week in October?

9 A [REDACTED] <sup>the request</sup> was in September, and Southern Air  
10 Transport. On the 8th of October, I received a call from  
11 North. On the 14th, I believe, Webster.

12 Q October 8. Was that over the SAT investigation?

13 A Yes.

14 Q For the record, SAT is Southern Air Transport. Why  
15 don't you tell us what happened on October 8.

16 A Our investigation was of the C-123 crash. Southern  
17 Air Transport was not the focus of the investigation. ~~I am~~  
18 ~~sorry?~~

19 Q October 8, you received a call from Colonel North?

20 A I have a more detailed chronology here. I will  
21 provide this chronology if you would like.

22 Q Yes. That would be helpful to the committee.

23 A I prepared this in connection with -- I prepared  
24 the -- I wasn't privy to some of this. On October 8, I  
25 <sup>while I was</sup> received a call from Oliver North in Nashville, Tennessee.

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1 I was attending a conference of the International Association  
2 of Chiefs of Police. Ollie asked me if I had seen the news  
3 about the 123 crash in Nicaragua. I advised him that I had.

4 He asked if I was aware FBI agents in Miami had  
5 visited the offices of Southern Air Transport. I indicated  
6 that I did not know that. I did not know the FBI was in-  
7 volved at this point. North indicated that although he knew  
8 of nothing involving the SAT and illegal activities, that he  
9 was concerned that the FBI agents might discover, inadvertent-  
10 ly discover, that SAT was involved in ~~authorized~~ activity --  
11 that was Presidentially authorized <sup>North</sup> I was privy to. This was  
12 an open line, so he was talking cryptically.

13 Q Did you understand that to mean the Iran --

14 A I knew that <sup>was</sup> ~~is~~ what he was talking to, because  
15 that is the only Presidential finding that would have <sup>fit</sup> ~~fit~~ in  
16 this category. He said he wanted to make sure that I knew  
17 and Webster knew that the negotiation process was in a very  
18 critical stage, and any inadvertent disclosure of involvement  
19 of a U.S. company could have disastrous results.

20 He did not ask for us to hold the investigation or  
21 to take any action to divert the investigation. He simply  
22 brought to my attention that SAT was, in fact, involved in  
23 the Iran hostage situation, not by name, but by cryptic  
24 references.

25 I contacted Miami, I found they had indeed opened

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1 an inquiry. Oh, he also asked me what basis the FBI agents  
 2 would have for conducting an investigation, and I said, "Well  
 3 the field office can initiate inquiry into a neutrality matter  
 4 I didn't know specifically, but I presumed that Southern Air  
 5 Transport had in some way been connected with the <sup>C-123</sup> ~~123~~, they  
 6 were down in Nicaragua. If that <sup>C-123</sup> was carrying arms,  
 7 munitions or personnel from the United States, it could be  
 8 a violation of arms export<sup>LAWS</sup>. So the office <sup>C</sup>ould initiate  
 9 on their own initiative an inquiry. If it were to proceed  
 10 beyond preliminary inquiry, it would have to be approved by  
 11 Headquarters.

12 Q Why did that subject come up? Did North ask if you  
 13 had approved it or why would you be explaining your interpre-  
 14 tation?

15 A He wanted to know why the FBI agents would respond  
 16 for a plane crash in Nicaragua as a matter of information,  
 17 and I explained to him both the neutrality and arms export ~~LAWS~~  
 18 ~~and all they needed was information,~~ and all they needed  
 19 was information this was a U.S. registered aircraft and that  
 20 there were arms on board, and that would be sufficient to  
 21 trigger a preliminary inquiry.

22 Q Did he comment at all if there were arms on board?

23 A No. He said -- he disclaimed any knowledge of the  
 24 aircraft itself. What he was concerned with, at least in  
 25 his phone call to me, was that the involvement of Southern

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*in the hostage situation*

1 Air Transport would be inadvertently disclosed in our  
2 investigation of the <sup>C</sup>123.

3 Q When you say disclaimed knowledge, did he say, "I  
4 don't know if there were arms on board"?

5 A He said, "I don't know anything about that air-  
6 plane."

7 Q So you called Miami.

8 A Right.

9 Q What happens?

10 A And I found out that they had initiated -- exactly  
11 as I had indicated, based on news reports, they had initiated  
12 a preliminary inquiry, and they had information that had come  
13 into the office that that same plane had been seen at  
14 Southern Air Transport. They had gone to Southern Air  
15 Transport to find out if the plane belonged to Southern Air  
16 or if it had left there and so forth.

17 I instructed them to send in a teletype to Head-  
18 quarters advising of the initiation of the inquiry, and then  
19 ~~came~~ back the next day, on Friday actually, the 10th. The  
20 teletype was there. I had a meeting with Mark Richard, the  
21 Deputy Assistant Attorney General, and the department  
22 authorized a full investigation, and we went back with a  
23 teletype instructing the full investigation be undertaken.

24 Then, on the 10th, Director Webster was out of  
25 town at the time I received it. My chronology -- I just  
found a mistake. I said on the 10th I was advised --

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1 actually, the 10th was a Friday. It was the 14th, it was  
2 Tuesday, because he was out of town until the 14th.

3 Q So he is advised October 14.

4 A Right. Of the call from North and of the action  
5 that we took, meeting with the department and the ~~XXXXXXXXXX~~  
6 to continue a full investigation.

7 Q When he was briefed, did he have any other com-  
8 ments than okay, go forward?

9 A He didn't say okay, go forward. I am in charge of  
10 operations, and he doesn't authorize me to do what I am  
11 already authorized to do. It was a matter of information. He  
12 didn't say "stop." No, I mean he was interested obviously  
13 if there was any connection at all between the aircraft, and  
14 the other thing that only he and I knew about within the ~~XXXX~~  
15 And we also commented to each other that they were still  
16 trying with the hostages. We thought it was becoming rather  
17 evident this wasn't going to work, but they were still,  
18 meaning the NSC and the groups, working, CIA and others, were  
19 still attempting to carry out this Iranian connection to the  
20 release of the hostages.

21 Q What happened then after October 14?

22 A The next thing that happened was ~~Assistant U.S.~~  
23 <sup>General</sup> Attorney ~~Stephen~~ Trott called and asked for a short  
24 suspension of ten days of any non-urgent investigation. This  
25 came directly to Director Webster. I was out of the office,

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1 he consulted with Floyd Clark? Floyd consulted with the  
2 Terrorism Section. There was agreement a short suspension  
3 would have no detrimental effect on our investigation, and a  
4 phone call went out to the field offices instructing they  
5 delay any non-urgent investigation. The office was queried  
6 and <sup>none</sup> had any problem with that.

7 MR. MC GOUGH: When did that phone call come from  
8 Trott?

9 THE WITNESS: October 30. The Director wrote a  
10 memorandum on this call on the 31st.

11 BY MS. NAUGHTON:

12 Q Were you there when Trott called Director Webster?

13 A No, I was not.

14 Q So this is just from what Webster told you?

15 A Well, from the memorandum that he wrote on the 31st.  
16 And we <sup>have</sup> discussed it since, but he didn't tell me at the  
17 time.

18 Q Wasn't it a little bit odd you were the first to  
19 hear about it from North, and he does not ask you for a  
20 postponement, and yet it sort of comes around from the top?

21 A Well, not really. All along I have told people  
22 over there what the chain of command was. And they weren't  
23 going to get a delay from us, meaning from me. So if they  
24 thought it was necessary in this hostage process, we were  
25 not privy to everything going on there, <sup>now that we</sup> to go to the Attorney

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1 General. That was the proper route. So this is what we told  
2 them they had to do, and this is what they did.

3 Q Did you tell that to Colonel North?

4 A I told Colonel North and a number of people at the  
5 White House any request for the FBI to do anything would have  
6 to come from the White House to the Attorney General to us.  
7 Unless it was something in the ~~Robert case in the~~ coordina-  
8 tion process, we thought it should be done and acted upon  
9 on the basis of our own determination.

10 There is a long history of -- going back to the  
11 ~~Hana~~ <sup>Hana</sup> ~~Murufi~~ Muslim case where White House staffers have called over  
12 and from time to time suggested things to us, the Olympics  
13 with Mike Deaver, and we have let them know there is a proper  
14 chain of command, they must follow it unless this is some-  
15 thing we agree is appropriate based on the information.

16 It was not a surprise to me if there was to be a  
17 request for a delay that it came that route.

18 Q Did Colonel North, when he spoke to you on the  
19 8th, indicate there was a similar Customs investigation?

20 A No. There wasn't at the time. We brought  
21 Customs into it. At least I don't believe Customs had  
22 initiated their own investigation. We went to Customs and  
23 asked if they had any manifests or billings for that air-  
24 craft on the last departure from Miami. We also went to the  
25 FAA and other agencies to seek information. I believe it was

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1 our inquiry with Customs that led them to initiate, because  
2 they have principal responsibility over the arms export  
3 statute.

4 Q What is your understanding, then, when the Customs  
5 investigation began?

6 A I don't -- I think it was fairly shortly after  
7 ours. And I do know it was continuing. At an OSG meeting,  
8 I could probably reconstruct this, between the time we  
9 suspended our investigation, which was October 30, and the  
10 phone call I got on November 14 from North, I was in ~~that~~ <sup>an</sup>  
11 OSG meeting, and as I departed, I saw Bill Rosenblatt, the  
12 Assistant Commissioner for Enforcement, waiting to go in and  
13 see North.

14 MR. GENZMAN: What was the date of that?

15 THE WITNESS: I don't recall. I would have to go  
16 back and check. I could reconstruct it. It was after the  
17 30th and before the 14th.

18 BY MS. NAUGHTON:

19 Q I have a ~~11th~~ <sup>11th</sup> meeting from the calendar on  
20 October 31 and another on November 20.

21 A Okay, it was on the 13th.

22 Q Of November?

23 A Yes.

24 Q You saw Bill Rosenblatt waiting to see Oliver North?

25 A Right.

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1 Q Did you discuss the SAT?

2 A No. I just said "Hi" to Bill on the way out. We  
3 didn't stop and discuss it.

4 Q Do you know why he was there to see Mr. North?

5 A No, but I presume it was on Southern Air Transport.  
6 Because we had already received a call from Justice at the  
7 time, so if in fact -- and of course it became evident to me  
8 what the problem was, because I got a call the next day from  
9 North.

10 Q Did you ever see Bill Rosenblatt there before?

11 A No.

12 Q Did Ollie North ever mention him?

13 A He mentioned, I believe, on occasion they were  
14 concerned the Customs investigation was, they had subpoenaed  
15 records -- I don't have a clear recollection if he mentioned  
16 this before or only at the time of the phone call. At the  
17 time of the phone call, he told me specifically the records  
18 subpoenaed by Customs would reveal the flights to Israel and  
19 to Iran and that Secord had called concerning his concern that  
20 this could not only reveal but compromise the situation. He  
21 may have mentioned to me earlier there was concern the  
22 Customs inquiry might also reveal it, but I can't recall  
23 specifically, but he certainly did on the 14th.

24 Q To your knowledge, were there ever any grand jury  
25 proceedings issued pursuant to the Customs investigation?

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1           A    To my knowledge, there was no grand jury action ever  
2           undertaken with regard to SAT during the time of this  
3           activity.

4           Q    How do you know that?

5           A    I have been told, and, in fact, I think main  
6           Justice would have had to have approved an action of this  
7           type. I knew that wasn't the case. I can't remember  
8           specifically whether I was told or I just knew because of  
9           the normal procedures Customs would use an administrative  
10          subpoena to obtain these type records.

11          Q    November 14, Colonel North calls you?

12          A    Yes. He called me on a secure phone and <sup>said</sup> ~~says~~ he  
13          is getting ready to -- he telephonically contacted me and  
14          advised he was concerned the U.S. Customs investigation of  
15          Southern Air Transport was going to inadvertently disclose  
16          the ongoing critical negotiations with Iran over the  
17          hostages. He said this information came to him from  
18          Secord, who <sup>said</sup> ~~says~~ the records they subpoenaed would reveal  
19          flights to Israel and Iran. He emphasized the negotiations  
20          were at a critical stage and lives were at stake.

21                He said that the subpoenaed records would reveal  
22          the involvement of Southern Air Transport in a Presidential<sup>ly</sup>  
23          approved covert mission to Iran, and he was prepared to  
24          contact Customs asking them to hold the investigation in  
25          abeyance on a temporary basis.

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1 I advised him he should not contact <sup>CUSTOMS</sup> ~~us~~ since this  
 2 was a criminal Justice matter but should contact Associate  
 3 Attorney General Trott who was aware of the hostage situation  
 4 and would be in a better <sup>POSITION</sup> ~~SITUATION~~ to evaluate the proper  
 5 course of action. North agreed, and thereafter I called  
 6 Trott and confirmed North did call him on the matter.

7 Q What did Trott tell you?

8 A He told me Ollie told him the same thing he told  
 9 me and that he was going to discuss it with the Attorney  
 10 General.

11 Q So when Ollie calls Trott, now, to your knowledge,  
 12 Trott does not know anything about the Iranian arms ship-  
 13 ments --

14 A No, but he knew because of the call that he had  
 15 previously made on Southern Air Transport that Southern Air  
 16 Transport was involved with an Iranian hostage initiative,  
 17 so that is the reason I had -- I now know he was at least  
 18 aware of the Iranian initiative. That is the reason I had  
 19 North call him.

20 Q So when Trott put the stops for a short period of  
 21 time on the investigation, it is your understanding he knew  
 22 about the Iranian arms shipment.

23 A It was my presumption at this point -- at least  
 24 the Iranian Initiative. I don't know about the arms ship-  
 25 ment. Certainly he knew Southern Air Transport was involved

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1 in something.

2 Q When North mentioned Secord, what does he tell  
3 you about him, or his involvement?

4 A He <sup>just</sup> ~~doesn't~~ <sup>said</sup>. He just says, "I have information from  
5 General Secord that the records subpoenaed would reveal the  
6 Iran contra" -- scratch that -- the Iran Initiative He  
7 said, as a matter of fact, it rang a bell with me, because  
8 General Secord was known to me from the EATSCO case. This  
9 was the first time I had ever heard his name. I had heard  
10 other people's names out in the public realm, but this is the  
11 first time I had any knowledge there was any ~~one~~ civilian  
12 involvement, and that it was General Secord.

13 Q Did you ask North about it?

14 A No.

15 Q Why not?

16 A Because he told me no information came from Secord --

17 Q Did you ask him?

18 A I didn't ask him, but we were going to find out  
19 later. Because our investigation at that point was in  
20 abeyance. This was an additional piece of information we were  
21 going to follow up on.

22 Q At this point, did you have any information,  
23 either through the public media or through investigative  
24 reports, that General Secord was involved with supplying the  
25 contras?

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1           A     There may have been information in the media.  
2     I don't recall. I certainly had no knowledge that he was  
3     involved in anything with North until this point.

4           Q     I am asking a separate question. Separate or  
5     apart from North, did you know Secord was involved or had been  
6     alleged to be involved in contra resupply?

7           A     Not to my recollection, no. And it was the first  
8     time Secord had any connection with the <sup>C</sup>123 or Southern Air  
9     Transport or the Iranian situation.

10          Q     After you talked to North on the 14th and con-  
11     firmed the call with Trott, what happened?

12          A     On the 20th, Trott called me and said we should  
13     resume our inquiry.

14          Q     Trott called you?

15          A     Yes.

16          Q     Did he say why the inquiry should be resumed?

17          A     He said the need for the hold was over and to  
18     proceed. And I, the same day, instructed the Terrprism  
19     Section ~~to reinstitute the inquiry~~, which controls the  
20     investigation, to reinstitute the neutrality investigation.

21          Q     Did you inform the Director of that?

22          A     Yes. And our investigation continued until  
23     December 5. It was turned over as a part of the overall  
24     investigation into the Iran contra matter, and then it was  
25     turned over to the Independent Counsel.

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1           Q     I am going to ask you about the famous October 30  
2 memo in which Mary Laughton had apparently warned someone at  
3 the FBI regarding Oliver North. I am referring to a docu-  
4 ment dated October 30, 1986, apparently to Floyd Clark;  
5 it is captioned "Re: Phil" P-h-i-l "Mabry", M-a-b-r-y.  
6 Are you familiar with that document?

7           A     Let me point out something to you. This goes to  
8 Clark. I think it is from the Terrorism Section, yes. You  
9 notice on the copy it doesn't go to me. And the initials,  
10 mine aren't on here, Webster's are. This is a note from Bob  
11 Ricks. For some reason, I haven't been able to find out,  
12 I presume at the time I was gone or out, but this went --  
13 it is not unusual for messages to go directly from the  
14 Operational Division to the Director, but it is unusual for  
15 me not to receive copies or to have the information.

16                 Now, the first I knew of this memo is when it came  
17 up during Judge Webster's confirmation proceeding, actually  
18 a briefing before the proceeding. The first time I saw this  
19 was after this memo had gone to the Independent Counsel and  
20 during the time that we were going over the Director's  
21 confirmation briefings.

22                 When I read this, I said, "Well, it sure would have  
23 been nice for me to know this since I am the one dealing with  
24 him and I had no <sup>knowledge of</sup> such activity." We went into a discussion  
25 that Mary's opinion was based strictly on speculation from

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1 what she had been reading in the newspapers and that she  
2 had no specific information.

3 Q How did you determine that? Did you call her up  
4 and ask her?

5 A I didn't, but she was called and asked by Floyd  
6 Clark. Either Floyd Clark or Bob Ricks, one or the other.

7 Q Do you know whether or not Mary Laughton told Mr.  
8 Clark or Mr. Ricks about her encounter with Oliver North?

9 A She had had a number of encounters with Oliver  
10 North. Her opinion of Oliver North was never very high, but  
11 I never heard her express any concern he was involved in  
12 any violation of the law. This is the first time I have seen  
13 speculation about that on anybody's part.

14 My concern was I wasn't aware of it since I was  
15 dealing with him through the OSG and TUNG; and, secondly,  
16 although it was not within the four square corners of the  
17 Intelligence Committees' request, I thought that it probably  
18 ought to be produced. I was overruled on that. The  
19 Director didn't think it was germane to the inquiry, so he  
20 didn't produce it until he was asked about it, which I  
21 think was a mistake in hindsight, because I think he could  
22 have quickly put this to rest. He thought she had no  
23 information, it was speculation, and there was nothing there  
24 that fell within the request.

25 There is a notation on here from Bob Ricks,

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1 "Floyd, the real problem would be the potential discovery  
2 if a special prosecutor is appointed." I asked Bob what this  
3 meant when we were going through this, and he said if Oliver  
4 North became the subject of an Independent Counsel investigation,  
5 then it might reveal what is blacked out here, which  
6 is the method and source of intelligence.

7 Q And this is on the Mabry matter?

8 A This is where the information came from.

9 Q For the record, this is a supposed source who was  
10 planning to go to Nicaragua or offered to go to Nicaragua?

11 A The specific source and the means of acquiring the  
12 information is what was of concern.

13 Q Did you ever ask anyone at the FBI why you did not  
14 get a copy of that?

15 A Yes. I asked Floyd Clark<sup>e</sup> and he said he couldn't  
16 figure out why I didn't.

17 Q The memo is written by whom?

18 A That memo was written, I am not sure by whom, but  
19 it was written in the Terrorism Section and signed by Steve  
20 Pomerantz, Chief of the Terrorism Section. It was what we  
21 call an informal note. It is simply a matter of passing  
22 information. It went to Clark<sup>e</sup>. He chose to send it on to  
23 the Director -- I am sorry, let me go back a second.

24 It went from the Terrorism Section Chief to the  
25 Deputy Assistant Director, Bob Ricks. Bob Ricks puts that

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1 notation about discovery. It <sup>went</sup> goes to Floyd, Floyd initialed  
2 it and sent it to the Director for information. The Director  
3 simply initialed it and <sup>sent</sup> sends it back.

4 For whatever reason, and I cannot reconstruct,  
5 Floyd doesn't know why, and I don't know why, I didn't get  
6 a copy of that. It probably would have meant more to me  
7 than anyone else, not what she said, but because she had the  
8 concern, and I would have likely called her up and said,  
9 "Mary, what is going on?" But I didn't see it, so I didn't  
10 make that inquiry.

11 Now, afterwards when they did inquire of her, she  
12 said it was just her speculating on the basis of behavior  
13 patterns she had observed, Ollie might have gotten himself  
14 into things he shouldn't have; therefore, he shouldn't get  
15 this kind of information vis-a-vis Nicaragua.

16 Q Is this the first time she had expressed such a  
17 concern?

18 A To me?

19 Q Yes.

20 A She didn't express it to me. It's the first I had  
21 heard of her having this type of concern.

22 Q She never discussed with you any concerns perhaps  
23 North was leaking information that was anti-Sandinista, for  
24 instance?

25 A No, she never mentioned North to me that I can

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1 recall.

2 Q Do you know --

3 A She may have mentioned it to other people in the  
4 Bureau, but not to me.

5 Q When there is an accusation of a leak by an adminis-  
6 tration official, there is a separate division or section,  
7 isn't there, that handles such investigations?

8 A It is handled within the Terrorism Section, but by  
9 a separate unit. It is a unit that deals in contingency  
10 planning and special investigations. Special investigations  
11 are espionage act leak investigations, so they do not handle  
12 operational terrorist matters, they handle contingency  
13 matters and leak investigations.

14 Q Who is the head of that section?

15 A The Section Chief is Steve Pomerantz. The unit is  
16 headed by Al Seddon, S-e-d-d-o-n.

17 Q And do you know whether or not this particular  
18 unit has ever questioned Oliver North with regard to leak  
19 investigations?

20 A The unit would not have. The unit directs the  
21 field offices. I suspect that North has been questioned on a  
22 number of leaks, because our procedure was, in conducting  
23 leak investigations, to question everyone who had access to  
24 the information that had been leaked. So I am certain North,  
25 along with any other NSC staffer dealing in these areas,

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1 has been questioned.

2 But I have no knowledge they ever suspected him of  
3 a leak. It was never brought to my attention if that is the  
4 case.

5 Q Do you have any specific knowledge of him ever  
6 being interviewed, number one?

7 A He had mentioned at one time that he had given an  
8 interview. I don't remember in connection with what. I do  
9 know -- I think it was back in early '86, a sort of spate of  
10 information came out about North's involvement with the  
11 contras, that he indicated that he had asked for an inter-  
12 view -- given an interview to someone.

13 He also told me he no longer had the contra  
14 account since he had been placed in this new enhanced posi-  
15 tion by the NSD [REDACTED] ?

16 Q So he told you he no longer had the contra account  
17 in early 1986?

18 A Yes.

19 Q Did you believe that?

20 A I did at the time. Obviously, I shouldn't have.  
21 And he never brought up the contras in any OSG meetings, or  
22 Nicaragua. So it was never a subject of discussion. Even  
23 in the Southern Air Transport <sup>Matter</sup>, it wasn't in the context of  
24 contras, it was in the context of the Iranian Initiative.

25 Q Did he ever ask you to open up a leak investigation?

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1 In other words, did he ever suspect someone of leaking some-  
2 thing?

3 A No, I can't recall -- the procedure would be, for a  
4 leak investigation request, to come from the National Security  
5 Advisor to the Attorney General to us. I can recall on one  
6 occasion when Dave Majors called me on behalf of the NSC  
7 Advisor asking we initiate a leak investigation. I called  
8 Trott, got the authority, and we initiated one. It was an  
9 intelligence matter, it had nothing to do with this. That  
10 is the only time I can recall direct contact with the NSC  
11 on a leak matter.

12 It wasn't North or anything to do with Iran or the  
13 contras or anything of that nature. Normal procedure would  
14 have been from the NSC Advisor to the Attorney General to  
15 us.

16 Q It had nothing to do with Central America?

17 A North may have requested through the NSC Advisor  
18 to the Attorney General, I don't know. The records would have  
19 be checked on it. He didn't make such a request to me.

20 Q Did Majors mention whether or not North had  
21 requested any other leak investigations?

22 A No.

23 Q Did you and Mr. Majors ever discuss Oliver North?

24 A Yes, we did, but I can't recall whether it was  
25 before or after the blow-up. Certainly after <sup>we did</sup> we did, but I

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1 can't recall whether before we did or not.

2 Q What was your sense before November, '86 of Mr.  
3 Majors' relationship with Oliver North?

4 A I don't think -- I think Dave thought and had  
5 expressed to me his concern that Ollie was sort of a loose  
6 cannon, meaning he didn't follow procedures, protocol, and  
7 go through the normal chain of command. He was always runni  
8 in to see John Poindexter or Bud McFarlane and didn't go  
9 through the <sup>proper</sup> department channels. He never expressed to me  
10 anything before November 21 concerning any integrity <sup>problem</sup> or  
11 issues like that.

12 Subsequently, he indicated he thought Ollie North  
13 was a liar. He never indicated that to me prior to that.

14 Q After the Iran arms sales became public, let's  
15 say on November 6, did Dave Majors ever tell you that he had  
16 asked Ollie North about the arms sale or how the hostages  
17 were going to be freed? What I am getting at here is, did  
18 Majors ever relate to you an episode where he asked Oliver  
19 North about the hostages, and you told him that [REDACTED]

20 [REDACTED]  
21 A Dave told me about, -- but I think it was after the  
22 21st, not the 6th.

23 Q Why don't you describe those conversations.

24 A I really can't remember it except it was some sort  
25 of ridiculous thing about [REDACTED]

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[REDACTED]

You know, it was some sort of a ridiculous scenario that was never discussed, and Dave <sup>OF NORTH THAT</sup> was saying it was typical, he would come out with some sort of flamboyant statement or tale.

I said they never raised such an issue in the official channels; but I think that was after the 21st, I don't think it was the 6th.

Q What else did Majors have to say after the 21st about North?

A Again, that he distrusted him, and he thought Ollie was deceitful in his dealings and that a lot of the things he said were not only inaccurate, but just false.

I asked him why he hadn't told me this before. He said, "Well, I just wasn't sure of it before." It is pretty easy to make that statement after the fact. And I have to say this, that in my entire time of dealing with North, which I didn't deal with North until the time of the Achille Lauro, <sup>UP</sup> ~~TWG~~ was meeting, which was in '85, we didn't begin the OSG process until February, '86, my dealings with him were only for about nine months on a regular basis, and when we had an incident ongoing after June of '85, he was not the representative to the <sup>UP</sup> ~~TWG~~, John Poindexter was.

Poindexter was also the NSC representative to the Policy Review Group of the Vice President's Task Force. So

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1 my dealings with North were about -- fairly concentrated  
 2 over about a nine-month period. I never saw him during that  
 3 time advocate anything illegal. He talked about some things  
 4 that were, from a policy standpoint, I thought, both in-  
 5 appropriate and ill advised. But he never advocated any-  
 6 thing that was either illegal or improper in my presence,  
 7 nor did I see some of these other characteristics that were --  
 8 that are ascribed to Mary <sup>Lawton</sup>~~Naughton~~ or what Dave Majors said.  
 9 He didn't demonstrate those kinds of characteristics in my  
 10 presence.

11 MS. NAUGHTON: This will conclude this portion of  
 12 the deposition, and we will agree to conclude it at a mutually  
 13 agreeable time.

14 (Whereupon, at 12:30 p.m., the Joint Committees  
 15 were adjourned subject to the call of the chair.)

16 tson/drg  
 17 end

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THOMAS/1005

HSITS/125/87

## DEPOSITION OF OLIVER B. REVELL

Wednesday, July 15, 1987

U.S. House of Representatives,

Select Committee to Investigate Covert  
Arms Transactions with Iran,

Washington, D. C.

The Committee, met, pursuant to call, at 1:30 p.m.,  
in Room B-352, Rayburn House Office Building, Pamela J.  
Naughton presiding.

Present: Pamela J. Naughton and Robert W. Genzman,  
on behalf of the House Select Committee.

W. Thomas McGough, on behalf of the Senate Select  
Committee.

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under provisions of E.O. 12356  
By Dr. Sirko, National Security Council

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1 MS. NAUGHTON: We are on the record.

2 My name is Pamela J. Naughton. This is the second  
3 day of the deposition for Oliver Revell. I am staff counsel  
4 to the House Select Committee to Investigate the Covert  
5 Arms Transactions with Iran, and if the people around the  
6 table would please introduce themselves.

7 MR. MCGOUGH: Tom McGough, associate counsel for  
8 the Senate Select Committee.

9 MR. GENZMAN: Robert W. Genzman, associate  
10 minority counsel, House Committee.

11 MS. NAUGHTON: And Mr. Revell, if you would  
12 please take the oath.

13 Whereupon,

14 OLIVER B. REVELL, was called as a witness, and  
15 after having been first duly sworn, was examined and  
16 testified as follows:

17 EXAMINATION

18 BY MS. NAUGHTON:

19 Q Mr. Revell, we have of course spent several hours  
20 in deposition a while ago. I will give you an opportunity  
21 at this point if there is anything that you said that you  
22 later remember something else and would like to add to the  
23 record, please don't hesitate at any point during this  
24 proceeding, but, given if you have nothing to say, we will  
move on to some other topics.

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under provisions of E.O. 12356  
by D. Brito, National Security Council

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1 Did there come to your attention at some point  
2 between let's say November of '85, and March of '86, that  
3 there was a Neutrality Act investigation pending in Miami,  
4 Florida, involving the possible assassination plot  
5 against Ambassador Tambs and also alleged gun running to the  
6 contras?

7 A Yes. The assassination plot for sure and the gun  
8 running I think was sort of part and parcel of that as  
9 well as some allegations about potential drug trafficking  
10 by the same elements.

11 Q How did this case come to your attention?

12 A I am not positive but the file would reflect  
13 it was probably sent on what we call an informative note,  
14 possibly a director's briefing. I am not certain without  
15 reviewing the file exactly how it came to my attention.

16 Q Do you recall approximately when it came to  
17 your attention?

18 A If I could, let me see what material I have here ✓  
19 on that.

20 I am not positive but it looks like probably  
21 the first I had was a note from Floyd Clark to Director  
22 Webster, dated April 8, 1987, where they were reporting  
23 information that from the Village Voice article that had  
24 been published on March 31 of, '87 -- I knew about it  
25 before then because I knew about it at the time of --

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1 wait a minute -- I briefed Lowell Jensen, Deputy Attorney  
2 General on the case in March of '86, but I am not certain  
3 what point before that I would have known. I would have  
4 to go back and review the file to see what was sent up and  
5 whose initials were on it, but at least in March '86  
6 I briefed the Deputy Attorney General.

7 Q Do you recall why it is that you briefed the  
8 Attorney General?

9 A Because of the assassination plot that had been  
10 relayed to obviously State, CIA, White House, and Justice,  
11 the State Department had called, the Deputy Secretary had  
12 called Lowell, the Deputy Attorney General, and was very  
13 concerned about the threat and Lowell had asked me to  
14 come over and give him a briefing and also he asked for a  
15 document that he could use in discussing it with the NSC  
16 and State Department.

17 Q It is your understanding that Mr. Jensen first  
18 got the case from the State Department.

19 A I know that he heard of it from the State,  
20 Department, whether he first heard of it or not he told  
21 me he had received rather urgent request from the Deputy  
22 Secretary about doing everything possible in the case.  
23 Whether that was when he first heard or not, I am not  
24 certain.

25 Q Do you recall making any inquiries to the field

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1 office down in Miami?

2 A No, I did not. I am sure headquarters did  
3 but I did not.

4 Q Did you ever instruct anyone to make those  
5 inquiries?

6 A Not that I can recall, but at the time when we  
7 got the information it came from Miami, so I don't think  
8 ~~That was necessary, there would be a necessity, it~~ was already ongoing dialogue  
9 between headquarters and Miami. I don't recall specifically  
10 asking either Floyd Clark or anyone in CID to do so,  
11 although if there had been any area of information I thought  
12 was lacking I would have, but I don't recall doing that.

13 Q When you went to brief Mr. Jensen, do you recall  
14 what day that was in March?

15 A I think it was probably the same date <sup>as</sup> ~~of~~ the  
16 memo which would have been March 20. Let me check my  
17 calendar because I think I had the memorandum prepared  
18 ~~contingency~~ <sup>contingency</sup> with the briefing so I could provide it to them.

19 It doesn't reflect on my calendar. This is not  
20 unusual because these are scheduled appointments, but I  
21 would say it either on or about March 20th date of the  
22 memorandum.

23 Q Do you recall did you have any documents prepared  
24 specifically for the briefing of Mr. Jensen or did you just  
25 simply take whatever material?

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1 A I had a document prepared.  
2 Q Who prepared that document?  
3 A The Terrorist<sup>in</sup> section ~~of~~ the Criminal  
4 Investigation Division.

5 Q Do you recall who specifically?

6 A No, but maybe, it looks like from the initials  
7 it would have been Mr. Prosser, P-r-o-s-s-e-r, George  
8 Prosser.

9 Q Could we see that document for a minute. I note  
10 for the record you are referring to a memorandum, I wanted  
11 to make sure that we had already obtained a copy.

12 A It has his markings on it but this is accurate.

13 Q Back on the record.

14 Do you recall when Deputy Jensen requested a  
15 briefing on this, was this at his own initiatives<sup>g</sup> or is  
16 this because he wanted to brief the NSC?

17 A My recollection is that he was getting inquiries  
18 from the Deputy Secretary. He may have also mentioned he  
19 was getting calls from the White House, I don't recall.  
20 But I do specifically recall that he was getting calls  
21 from the Deputy Secretary. He said the State Department  
22 was very concerned about it. I don't recall him saying  
23 anything about the NSC specifically.

24 Q When did you become aware that Deputy Jensen  
25 intended to brief the NSC?

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1 A I really didn't. There <sup>are</sup> ~~is~~ two things that came  
2 up. Let me have the original back. There is a note on  
3 that.

4 I was asked by Oliver North about the memo that  
5 I had given to Jensen. I asked the Terrorism~~is~~ section,  
6 Stan Klein was chief at the time, whether he had sent a  
7 copy of that memo to the NSC and this is the note he sent  
8 me back. That is probably what North was talking about.

9 Q This is the letter you were giving to Jensen to  
10 be discussed with the NSC. He must have given it to North,  
11 Stanley Klein.

12 Q Do you know what date of this cover memo is?

13 A I could tell you the date it came to my office.

14 Q It reads March 17, 1986.

15 Do you know what this notice is referring to.  
16 In other words, firstly, was Oliver North inquiring of you?

17 A He asked something about this memo and the  
18 assassination plot. I was not aware that he had been  
19 briefed so I came back and asked the Terrorism~~is~~ Section  
20 if they had sent a copy of this briefing paper to the  
21 NSC. They came back and said that they had not but that  
22 this was apparently, that it had been given to the NSC  
23 by the Deputy. I later found out that, I have a copy of  
24 the same memo, that was referred to me by the Justice  
25 Department and there is a note in this from Steve Trott,

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1 who was at that time Assistant Attorney General, Criminal  
 2 Division, to Mark Richard dated March 24, '86. It says,  
 3 "Please see me for coordination. Please get on top of  
 4 this, DLJ, ~~have~~ <sup>have</sup> a heads up to the NSC, he would like us to  
 5 I can't make out the word, something over it, "call Kellner,  
 6 find out what is up, and maybe you can read better than  
 7 I can.

8 Steve's printing leaves something to be desired.

9 Q He would like us to watch over it and Kellner  
 10 find out what is up.

11 MR. McGOUGH: Find out what is up and advise him,  
 12 decision should be run by you.

13 THE WITNESS: Okay. Then there is a note Mark  
 14 Richard signed 3-26-86, "spoke to Kellner, not back yet  
 15 from <sup>11</sup>.

16 BY MS. NAUGHTON:

17 Q NO.

18 A NO. File contra folder.

19 Then I got a call from Bill Weld on May First.  
 20 He advised me of the memo and the routing <sup>slips</sup> supplements. I  
 21 asked him to send copies to me and he did and said  
 22 attached copies are memos dated March 26, March 24 and  
 23 March 20 which are, Mark Richard noticed last night in his  
 24 Posey file. Bill Weld dated May 1, '86. I received it  
 25 5-4-87, I sent it to the Director, Judge, <sup>write</sup> attached memo

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1 was sent to me by Bill Weld, re the contact by Lowell  
2 Jensen with the NSC regarding the Posey matter. That is  
3 dated 5-4. Then Webster comes back to me routing slip  
4 blocked into my office May 6, "What was purpose of your  
5 March 20 memo to Jensen? I don't remember seeing it  
6 before." In fact, it had been sent to his office before.

7 Q Using then those documents to refresh your  
8 recollection, I gather in reconstructing this then, you  
9 had a request from Jensen for a briefing?

10 A Yes.

11 Q Got the information from the Terrorism  
12 section?

13 A Yes, and a memoranda.

14 Q Briefed Mr. Jensen on or about the 20th, then  
15 received copies of apparently memos from Trott to Mr.  
16 Richard asking Mr. Richard to keep track of the case?

17 A Yes, more than a year later. This is March 1st  
18 of '87. May 1st of '87. This only came to my attention in  
19 May of '87.

20 Q Mr. Weld sent you copies of these memoranda on  
21 May 1st, '87, then the memo were of March '86 activities?

22 A Right. Two routing slips and then copy of the  
23 memorandum that I have given to Lowell Jensen.

24 Q That was my next question, what Mr. Weld was  
25 doing in March '86.

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1 A This is May of '87.

2 Q And in the May communications with Director  
3 Webster, is that '87 or '86?

4 A That is '87.

5 Q That is '87.

6 A Upon my receipt of this information from Bill  
7 Weld when I got it on May 4th, I sent it the same day,  
8 May 4th, to Judge Webster. It came back to me from him on  
9 May 6th. This is the only--

10 Q Have you discussed this case, this investigation  
11 with Judge Webster?

12 A Sure. On a number of occasions it would  
13 have been a subject matter of CID briefing because ~~any~~ of the  
14 threat to an American ambassador. Then of course it was  
15 among the cases that we reviewed before his confirmation  
16 hearing because it did involve the Neutrality violations which  
17 were one of the areas of concern.

18 So, yes, I can't recall what, how many  
19 different occasions but absolutely this case has been  
20 discussed with him before by Floyd Clarke by the the  
21 Terrorist Section and I am certain that I participated in  
22 several of those.

23 Q Was it ever discussed that the NSC had been  
24 briefed, in other words did you let the Director know that?

25 A Just by that. I didn't know they had other than

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1 the, other than the inquiry on the memoranda that I got from  
2 North which by the way, the memoranda, they were entitled  
3 to have because it was an international terrorist matter,  
4 there was no problem in that, the information ~~was~~ in the  
5 memorandum had already been circulated through the  
6 Intelligence ~~Committee~~ <sup>COMMUNITY</sup>, there was nothing in here that was  
7 unknown to the CIA, State Department, or the NSC, except the  
8 fact that some administrative information like Tom Mohr  
9 from Internal Security was coordinating the matter  
10 for Justice. But, I don't recall mentioning anything to  
11 Judge Webster specifically at the time. I did when I  
12 saw this material come over, send it in to him.

13 Q When Colonel North asked you about this case, was  
14 that before you met with Mr. Jensen or after?

15 A That was after.

16 Q Was it shortly thereafter?

17 A It had to be because this note came to me  
18 on the 27th. The briefing and memoranda were the 20th.

19 Q Of March of '86?

20 A Right. So it was I think it was probably  
21 almost contemporaneous with this.

22 Q What did Colonel North --

23 A He just asked me about the assassination plot  
24 and he mentioned the memoranda that the Attorney General,  
25 Deputy had. I don't remember if he said given or used but

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1 he brought to my attention that in fact the NSC had either  
2 seen or had a copy of the summary memoranda. So then I  
3 went back and asked if it had been disseminated. That is  
4 when I found out that it had not. At least by us.

5 Q Why had you asked if it had been disseminated?

6 A It was not unusual for them to disseminate that  
7 type of information within the intelligence community.

8 Q Why would you ask, if North is telling you he  
9 saw it?

10 A Because I didn't know if we had sent a copy to  
11 him or he had gotten a copy from the Justice Department,  
12 so I just asked ~~him~~ if they had sent a copy to him. That  
13 is what it reflects is that that I had not.

14 Q I guess I am asking why did you think it  
15 important enough to if they had sent a copy?

16 A I generally like for us to control ~~our~~  
17 dissemination of our information and I would have preferred  
18 if it was going to be disseminated, it had been done by  
19 us or we had been notified of it.

20 Q Did North have any comments about the  
21 investigation?

22 A He on two or three occasions, I do not recall the  
23 time, but it was contemporaneous to this, had indicated there  
24 was great deal of concern in the White House, the State  
25 Department, that the Ambassador was calling up daily wanting

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1 to know if there was any ~~more~~ <sup>MORE INFORMATION.</sup> was concerned about lack of  
 2 protective security, and so there, North was being  
 3 called by Poindexter and wanting to make sure the FBI  
 4 was doing everything it <sup>could.</sup> ~~was meant on that nature.~~ Are  
 5 you doing everything you can do to get to the bottom of  
 6 it, those kinds of questions, and I don't recall my specific  
 7 words but I told him at the time that any threat against  
 8 the American Ambassador or any other American <sup>received</sup> ~~received~~  
 9 very top investigative priority.

10 Q Did you discuss with North the other implication  
 11 of the case, that is possible gun running or Neutrality  
 12 Act violations?

13 A No.

14 Q Did he inquire about that?

15 A No.

16 Q Did he inquire about the status of the case,  
 17 in other words, how far it had gone or whatever?

18 A Not to me he didn't.

19 Q I notice in the memoranda it does make reference  
 20 ~~ing~~ to the grand jury in March '86. Was that your  
 21 understanding how the case had progressed?

22 A My understanding was my information came from  
 23 that memo.

24 Q So you had no --

25 A I made no independent inquiry.

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- 1 Q You didn't speak to the case agents?
- 2 A No.
- 3 Q Didn't speak to their supervisors?
- 4 A No.
- 5 Q Is that a no?
- 6 A No.
- 7 Q After Judge Jensen briefed the NSC, did you talk
- 8 to him again about the case at any time?
- 9 A I have no recollection. It is possible. But,
- 10 I saw Lowell very frequently. It is possible that it
- 11 was mentioned again but I have no specific recollection
- 12 of it.
- 13 Q What about with Mr. Trott?
- 14 A I have no recollection. It is very possible
- 15 that we did discuss it at another time, but if so, it
- 16 was simply a matter of have you made any progress or some-
- 17 thing of that nature. I don't have any --
- 18 Q What about Mr. Mark Richard?
- 19 A I don't think I ever discussed it with Mark.
- 20 I have no recollection that I did.
- 21 Q And?
- 22 A This is not to say that other people may not
- 23 have, <sup>such as</sup> ~~the~~ CID or <sup>the</sup> ~~a~~ Terrorism Section, but I have no
- 24 recollection of doing it.
- 25 Q Did you ever discuss this case again with

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1 Oliver North?

2 A Well, I discussed it, a person in the case, with  
3 a fellow named Terrell, but I don't think I discussed  
4 the particular situation with him again.

5 Q Were you aware that the case agents, Assistant  
6 U.S. Attorney, were going down to Costa Rica in early April  
7 to interview people?

8 A Yes.

9 Q And did you tell Oliver North that?

10 A I may have. I have no recollection of telling  
11 him but since we were in fact keeping the intelligence  
12 community posted on this situation, I may have but I have  
13 no specific recollection. It may have been discussed in an  
14 OSG meeting but again, I do not recall giving him that  
15 specific information. In order for FBI agents to go into  
16 another country, it has to go to State Department, it  
17 goes to NSC for information and to CIA as well as to the  
18 ~~Customs~~ <sup>Justice</sup> Department, so, it was common knowledge within that  
19 element of government but I have no specific recollection of  
20 telling him. I certainly would if asked for, if it had  
21 come up, but I don't remember doing it.

22 Q Did North ever indicate to you in any way that he  
23 would prefer that this investigation be slowed down or  
24 certain people not investigated?

25 A No, just the opposite. He was very adamant, very

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1 anxious that the matter be pursued and that we get to the  
2 bottom of particularly the assassination investigation, he  
3 was very concerned about that.

4 Q Were you aware at any point that he was a possible  
5 suspect, a subject of the investigation?

6 A No, I was aware at some point, I am not sure it  
7 was this time, that his name had come up in some of the  
8 articles. North had told me that he was not involved  
9 with the contra situation any more. He also told me that  
10 to his knowledge none of the people that he had ever  
11 dealt with had ever involved themselves in a violation of  
12 the Neutrality Act or other U.S. statutes. He had indicated  
13 that by being visible in his support of the contras, that  
14 he was being targeted by some of these elements that were  
15 supporting the Sandinistas, but he had denied specifically  
16 being involved in any of these activities and in fact, in  
17 every instance that I am aware of either to me or to FBI  
18 agents had urged there be a vigorous investigation. I was  
19 not aware at any time he was interviewed or talk with me  
20 or other people that he had ever made any such requests or  
21 even any such insinuation.

22 Q Do you recall when he told you he wasn't  
23 involved in the contra cause?

24 A I have tried to go back over that. I think what  
25 triggered was that restoration of funds which I think would

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1 have been may of '86, and I think I asked him at that time  
2 if he was getting out of that contract. I was concerned,  
3 he never brought up the contras, but since we were dealing  
4 with him on an almost daily basis on international  
5 terrorism and hostages, that particular area of his public  
6 activity bothered me and I had discussed it with other  
7 people on the OSG, and it bothered them, too, particular  
8 Bob Oakley. It bothered Ambassador Robert Oakley.  
9 So, I just asked him in an offhand manner, I believe it was  
10 right after there had been restoration of funding, if this  
11 would remove him and he had indicated he no longer had that  
12 contract or something of that type.

13 He never brought up the contras or the Central  
14 American issue during the OSG meeting. The only time it  
15 came up were in the specific situations with such as the  
16 threat on Ambassador Tambs or the time that we had the  
17 threat on the President.

18 Q I want to get to that a little later.

19 You mentioned that he assured you that there  
20 were no violations of the Neutrality Act?

21 A He was unaware of --

22 Q Do you recall how that conversation came about?

23 A Well, we were talking about some of these people  
24 in particularly the allegations of drug smuggling and gun  
25 smuggling and so forth, and he indicated that in regard to

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1 any of the people that he had come in contact with, that  
 2 he was not aware they were very well aware of the Neutrality  
 3 Act, and the Arms Export Act, and had given him assurances  
 4 that they were not in violation of that. I can't remember  
 5 it was in regard to any specific person or entity.

6 Q Was this conversation in connection with this  
 7 case, the Corvell <sup>CORVO</sup> case for lack of a better case, Miami  
 8 case or general discussion? <sup>CORVO</sup> *not the*  
*negotiation*

9 A I don't think it was in the Corvell case  
 10 because they disavowed any knowledge of these particular  
 11 individuals.

12 I really cannot recall specifically what it  
 13 related to but I do recall specifically he made the  
 14 comment but I wish I could, but it was not something I  
 15 had inquired about, so there was no documentation. I  
 16 just cannot put it in a -- but it was well before, would  
 17 have been sometime around this period of time in May, '86,  
 18 March to June of '86 sometime.

19 Q Was it before he told you that he had gotten rid  
 20 of the contra contract or after that?

21 A I am not sure.

22 Q Did you ever hear any discussion or complaints  
 23 or anything from the Miami office in terms of the progress  
 24 of the Corvell <sup>CORVO</sup> case in taking the case to a grand jury?

25 A There was a communication that came up at

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1 some point that I didn't act on but I was advised as it  
2 came to me it was acted on by CID, that the Assistant  
3 U.S. Attorney and case agents were concerned the matter  
4 was not being brought before the grand jury on a timely  
5 basis. CID, I am not sure who in CID, Mr. Clark could tell  
6 you that, took it up with the Department.

7 Q Do you know to whom he spoke?

8 A No.

9 Q What made you aware of this?

10 A It came up to me in a note or in some other  
11 communication that Miami had indicated a problem.

12 Q Was it sometime in the summer of '86?

13 A I think so, but again I would have to refer to  
14 the file.

15 Q Were you aware of why they felt it was being so  
16 slow?

17 A I don't think they articulated a reason. <sup>It</sup> Seems  
18 to me there was a civil suit and there <sup>were</sup> also some  
19 problems with access to witnesses and there was apparently  
20 a disagreement in the U.S. Attorney's Office in Miami as  
21 to the appropriate time to proceed, but really I can't  
22 recall specifically. The document would have to speak for  
23 itself in that regard.

24 Q Could you for us retrieve that? Was it a  
25 teletype from Miami?

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1 A Either a teletype or what we call an airtel.  
 2 (Probably a note attached.

3 Q If you could retrieve the airtel for me and  
 4 provide it to us, we would appreciate it.

5 A I am surprised you don't have it.

6 Q Mr. Revell, was it ever discussed with you by  
 7 anyone at the Department of Justice, that the ~~Corvo~~ Corvo  
 8 investigation should be slowed down in any way or  
 9 delayed?

10 A Absolutely not. I have a note here that <sup>was</sup> would  
 11 ~~say~~ done in April of '87, this may give me some -- as  
 12 early as February '86 Miami requested Jeffrey Feldman to  
 13 empanel a grand jury to hear the facts. On March 14,  
 14 Miami case agent and Feldman briefed us concerning the  
 15 investigation. Caller indicated at the time he had been in  
 16 contact with high ranking Justice Department official  
 17 not described who made inquiries about the investigation,  
 18 specifically about the five mercenaries incarcerated in  
 19 Costa Rica.

20 On March 31, Miami agent Feldman traveled to Costa  
 21 Rica, where the first mercenaries were interviewed --  
 22 including document shown to Tams or <sup>a the</sup> diagram of players,  
 23 Reng Corvo<sup>Corvo</sup>, John Hall, Colonel Oliver North, <sup>Corvo</sup> ~~Revell~~,  
 24 Cuban engineers, to El Sar in March of '85.

25 MR. MCGOUGH: What are you referring to?

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21

1 THE WITNESS: I referred to it earlier. This  
2 is the informal memoranda from Mr. Clark to the Director  
3 which included the comments regarding the Village Voice  
4 article that I had. Between August and November '86, FBI  
5 Miami press <sup>ed the</sup> U.S. Attorney's office about the case. Miami <sup>about</sup> FBI  
6 requested FBI <sup>HA</sup> intervention, which was done, that is  
7 the part I was talking <sup>about</sup> Miami U.S. Attorney's Office  
8 took no action in that case until November '86. While some  
9 of the information in the Village Voice article was accurate,  
10 their information allegedly provided by Garcia is not.  
11 At no time did Miami FBI office develop any information  
12 that the Attorney General or U.S. Attorneys conspired to  
13 obstruct the case, the investigation in Miami by FBI was  
14 conducted without delay in a timely and thorough manner.

15 MR. MCGOUGH: Could I see that?

16 THE WITNESS: Sure.

17 (Discussion off the record.)

18 end mas  
19 drg fls

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22

Thomas/drg  
Page 1A

BY MS. NAUGHTON:

Q Do you know if this refers to Mr. Clark had intervened or tried to intervene with the Department of Justice, do you recall? Did he tell you later on about that meeting?

A I am not sure it was Mr. Clark. It was probably a gentleman in the Terrorism Section who went to see someone in the Internal Security Section at Justice, and I don't -- I have no recollection of being informed of the result. I would have to look at the file to see if I was informed or if my recollection was based upon that informal memorandum which was much later.

But I had no discussions with the Department about it, and I don't specifically recall having any discussions with either Mr. Clark or Mr. <sup>Richa</sup> Riggs or Mr. Pomerantz about it, although it is possible it came up in a note or in a briefing.

Q This memo obviously refers to some people who were listed as subjects on the prosecutor's chart. Is Oliver North among them? Do you recall when you first heard of that, that North may be a suspect?

A Well, I think that the -- I don't recall having seen anything with his name listed with those people before this came out.

Q When you refer to this, that is the --

A Same page.

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23

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1 Q April, 1987.

2 A Village Voice article. But, see now, remember that  
3 from November 25 of '86 forward, I was not receiving informa-  
4 tion because I had recused myself, so it is very possible  
5 there, <sup>was</sup> ~~were~~ other information received by the FBI in that  
6 regard, from November of '86 before this, but --

7 Q Getting back to the March time period, March of  
8 '86, do you recall receiving or reading a sort of long  
9 prosecution summary prepared by the FBI agent in the case?

10 A I don't normally see those. I don't involve myself  
11 in case management. That is for the Operational Divisions.  
12 My job is policy oversight and problem solving. If I get  
13 involved, it is a case of critical national interest and  
14 importance. I would not have seen the <sup>prosecutive</sup> ~~pros~~ memo.

15 Q The only substance memo you saw of the facts of the  
16 case is one we saw, dated March 29, 1986, is that correct?

17 A Right, that is one involving the briefing from me,  
18 memorandum from me to the Deputy.

19 Q Now, let's get into the subject of Jack Terrell,  
20 or Terrell.

21 A I think it is pronounced both. I say Terrell,  
22 T-e-r-r-e-l-l.

23 Q I have heard Terrell, so I will go with Terrell.  
24 When did he first come to the Bureau's attention?

25 A Apparently, he had been in and out of our focus for

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24

1 some time on various neutrality matters, involvement with  
2 Soldiers of Fortune type operations. I can't give you the  
3 specific date that it first came to the attention of the  
4 FBI, but it had been going on for some time, as I understand  
5 it.

6 Q So from the early 1980s?

7 A Probably I would say perhaps '82, '83, but that is a  
8 pure speculation on my part.

9 Q Are you aware of any prior investigations of Mr.  
10 Terrell other than the one we are discussing, the ~~Corvett~~ <sup>CORVO</sup>  
11 investigation?

12 A Not that I can specifically recall, although it is  
13 very possible his name may have been in some material that  
14 reached me before, but I have no recollection of it before  
15 this.

16 Q The FBI agent in this case interviewed Mr. Terrell  
17 in New Orleans sometime in March of 1986, I believe.

18 A I believe that is correct.

19 Q Do you know how it is they came upon his name or  
20 knew to interview him?

21 A No, I don't.

22 Q Mr. Terrell was involved in apparently another  
23 assassination plot, is that correct?

24 A Well, we came to believe that he might be in-  
25 volved in another assassination plot. He became a suspect in

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1 an investigation that we were conducting regarding some  
2 very sensitive intelligence we received concerning a  
3 mercenary who would avail himself to conduct assassinations,  
4 including against the President of the United States,  
5 if an agreement was reached.

6 Q And how is it that Mr. Terrell figured into this  
7 investigation?

8 A I can't respond to it in a nonclassified session  
9 in this regard. The only information I can give here would  
10 be Top Secret.

11 Q Off the record.

12 (Discussion off the record.)

13 THE WITNESS: But I want to again make this  
14 portion Top Secret

15 [REDACTED]  
16 BY MS. NAUGHTON:

17 Q We understand.  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]  
24 [REDACTED]  
25 [REDACTED]

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26

1 [ that the person they were talking about was probably  
 2 Colonel Flacko, better known as Jack Terrell. ] That informa-  
 3 tion was, of course, related to Secret Service to Justice. ✓  
 4 We put traces to the NSC, traces to CIA, traces to State to  
 5 see if they had any information about Terrell. I received a  
 6 phone call from Ollie North saying that he had a person in  
 7 contact with him that had some knowledge of Jack Terrell and  
 8 wanted to know if we wanted to speak with him. I said  
 9 absolutely, and we picked him up that night, Mr. Robinette,  
 10 and brought him to my office where I turned him over to  
 11 agents for interview, and he worked with the agents in our  
 12 Washington field office for about a week, I think, during the  
 13 time that [ Mr. Terrell was under intensive surveillance. ]

14 Q What was Mr. Robinette's knowledge or relationship?

15 A He had been, I don't know at this time, but he told  
 16 our agent later, I believe Ollie North told our agents  
 17 later, as well as, he had been hired by General Secord to  
 18 conduct an investigation of Terrell and others involved in a  
 19 private lawsuit in Miami.

20 Apparently, it was a <sup>RICO</sup> civil suit, and that he  
 21 had been hired by Secord to get background information on the  
 22 people who were parties to the suit.

23 Q This would be the Martha Honey suit?

24 A Yes, I don't remember the names specifically, it  
 25 was civil <sup>RICO</sup> in Miami, I believe that is correct. So,

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1 Robinette had been in touch with Terrell and was supposed to  
2 meet with him again in the next couple of days, and he indi-  
3 cated that he would let us know the time and place of the  
4 meeting. [REDACTED]  
5 He would also wear, as I recall, he was concerned with wearing  
6 a recording device, afraid that Terrell would shake him down,  
7 but he would meet with him in a manner in which we could be  
8 sure we had [the surveillance locked on him,] and he also would  
9 give us information that transpired between the two of them.

10 Q What did Colonel North tell you about Mr. Robinette?

11 A He didn't tell me anything about him, he did  
12 mention he thought he was an ex-FBI agent, and we had had  
13 a number of Robinettes in the Bureau, but then I came back  
14 and ran an indices <sup>check</sup> on him, and he was not, <sup>but</sup> I did find out  
15 from I believe [REDACTED] because we  
16 ran traces on him as well.

17 Q And was this your first knowledge that General  
18 Secord was somehow involved in Central American affairs?

19 A I knew about General Secord in the EATSCO case.

20 Q That is why I qualified by saying his involvement  
21 in Central America.

22 A I think so. I can't recall how his name came up,  
23 <sup>except</sup> later when North called me on Southern Air Transport, I  
24 cannot remember him having mentioned Secord to me other than  
25 in those two cases.

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1 Q What period of time are we talking about?

2 A He did not mention Secord to me then, that came  
3 back to me from Robinette's -- I can't say that for sure. He  
4 may have mentioned Secord to me. In any case, I learned of  
5 Secord's involvement in hiring Robinette, North having mentioned  
6 it to me, certainly Robinette mentioned it to the agents.  
7 I am not positive whether it was North who told me or whether  
8 I found out as a result of the subsequent contact. I believe  
9 North told me, but I am not positive.

10 Q What timeframe are we talking about?

11 A What do you mean?

12 Q That North first told you that he knew an American  
13 who knew Terrell.

14 A He called me like 5:30, and we had him picked up at  
15 7:00. It was an hour and a half.

16 Q What month and year are we talking about?

17 A That was the day we interviewed Robinette. We  
18 first learned information through the method I described to  
19 you in July, on July 15.

20 Q What year?

21 A '86. And we were advised on the 17th by the  
22 Washington field office, they believe that the information  
23 pertained to a mercenary by the name of Terrell. There was  
24 notification made throughout the intelligence community on  
25 the 17th, my call, this chronology was put together by CID,

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1 they had my call to North. I am not certain it wasn't ~~the~~ <sup>he</sup>.  
2 North called me. In any case, I did talk with North, and he  
3 indicated that on the evening of the 17th, that he was in  
4 touch with someone who had some information about Terrell  
5 and then arranged to, we arranged to have Robinette picked up  
6 by FBI agents, brought to my office, and he was turned over  
7 to other agents for debriefing purposes. That was on the  
8 evening of the 17th. It was July 17 that this entire  
9 situation transpired.

10 Q Oliver North is telling you, then, that there is  
11 someone who he knows who is already investigating Jack Terrell,  
12 is that correct?

13 A Knows something about Terrell. I don't know he told  
14 me investigating, but knows something about Terrell.

15 Q Who was asking to investigate Terrell's background  
16 for use in the civil suit.

17 A I don't know if North told me that or if I learned  
18 that from the agents debriefing Robinette. That is what I  
19 cannot recall.

20 Q I guess what I am getting at is, is Terrell  
21 supposed to have given information to the plaintiffs in the  
22 Honey civil lawsuit?

23 A That is what Robinette told the agent. I have no  
24 recollection that North told me that. I know that I found  
25 that out. I don't think my conversation with North was that

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1 long. It was on the secure phone, it was obviously a  
2 matter of some concern there was somebody wandering around  
3 there who might be ready, willing and able to assassinate the  
4 President. He was advising me that there was a person he  
5 knew, thought he was a former FBI agent, who had information  
6 and was in contact with Terrell. Did we want to talk to  
7 him? I said absolutely. The arrangements were made so  
8 quickly, there was not a long discussion of Robinette's back-  
9 ground and what he was doing and so forth. Robinette came  
10 in and was totally debriefed that night by Deputy Former  
11 Director Schirmer and other Assistant John ~~Stetter~~ and with FBI agents, then he remained  
12 in contact with them for the next several days.

13 Q What did Robinette tell them?

14 A Well, he told them that he had been hired by Second  
15 because of the civil suit in Miami, to investigate the back-  
16 ground of a number of people that were involved in that  
17 civil suit and that Jack Terrell was one of them, and he had  
18 had a number of contacts with Terrell and, in fact, was  
19 supposed to be meeting with him again in the near future. He  
20 told them more than that. That is the essence of what I  
21 can recall.

22 Q Did he say why he was to meet with Terrell?

23 A He was trying to ingratiate himself with Terrell  
24 in an under-cover capacity to see if Terrell would solicit  
25 him in some way to support some of his activities.

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1 Q What activities was Terrell supposedly engaged  
2 in other than possible assassination plots?

3 A For instance, I believe that Robinette knew  
4 Terrell had been in contact with both sides, the Sandinistas  
5 and contras, and that he had made himself available to the  
6 contras and thought he made himself available to the  
7 Sandinistas for mercenary purposes.

8 But I can't recall the <sup>ED</sup> 302, ~~it~~ <sup>the</sup> indicates <sup>the</sup> totality  
9 of information; I can't remember much more than that.

10 Q You say that Mr. Robinette did not want to wear a  
11 wire but was the conversation monitored in any other way?

12 A No.

13 Q These conversations with Terrell.

14 A No, other than his reporting back on the conversa-  
15 tion.

16 Q What happened then?

17 A Well, he did have a meeting with Terrell, the  
18 agents observed that, and shortly after that Terrell went  
19 to Miami, which happened to be the same time the President  
20 was in Miami. That gave us a <sup>great concern</sup> ~~big concern~~. And I think that  
21 about that time, that the contact between Robinette and  
22 Terrell broke off. I have no specific recollection of any  
23 more coming out of that. I think our people in the Washing-  
24 ton field were not anxious for Robinette to continue his  
25 contact with Terrell once we had locked into that situation.

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1 So I don't believe that Robinette's contact with the FBI  
2 continued for much more than a week.

3 Q What happened during his contact with Terrell,  
4 according to Robinette's reporting back to the agents?

5 A My recollection is not much. It was pretty much  
6 the continuation of Robinette seeking an opportunity to  
7 become involved with whatever Terrell was doing and Terrell  
8 being very cautious, willing to meet with Robinette but not  
9 really give him much information as to what he was up to,  
10 and I believe that is the reason why our people didn't think  
11 it was productive for him to continue any contact.

12 Q Do you know whether or not Robinette was reporting  
13 this to Colonel North?

14 A No, but I wouldn't be surprised, either North or  
15 to Secord. He made a very peculiar, <sup>earlier</sup> I didn't recall this,  
16 but I re-read the interview recently, and he made a peculiar  
17 comment that he wasn't a plumber, that he didn't want us  
18 leaking information about him working for the White House as  
19 a plumber, about the conversation was probably being recorded.  
20 He was paranoid about his contact with the FBI.

21 Q Was there any mention that you can recall, either  
22 by Colonel North or Robinette, regarding his services to  
23 North over the family's security fence installed?

24 A No, North did not indicate to me Robinette was doing  
25 anything for him. What I found out later from Scheiber was

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1 that when North called me, Robinette was in the office with  
2 North. I did not know that. But, no, North did not indi-  
3 cate that Robinette had done anything for him or was in any  
4 way associated with him other than the fact that he had  
5 information about Terrell.

6 Q Did Robinette allude to anything regarding the  
7 security fence?

8 A Well, not to me. I only had the one conversation  
9 with him, and it was very cursory, and he certainly didn't  
10 mention that to me. The first time I knew about it was  
11 what I heard on the news.

12 Q Was the attorney, Leonard Garment, involved in this  
13 in any way?

14 A No, I heard that it came up during the questions of  
15 the committee. I don't know what Leonard Garment's connec-  
16 tion would have been. I know what my connection with  
17 Robinette was, but I don't know what Garment's was, and  
18 Garment had none with me.

19 Q Had you ever had contact with Leonard Garment?

20 A Yes, sir, sitting on various panels when he was  
21 White House Counsel, but not in anything to do with any of  
22 this.

23 Q Let me ask about another guy, David Walker. Were  
24 you aware of that name prior to the public hearings?

25 A No, I don't think so. Again, a name in a report,

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1 a report or a memo, may have crossed my desk with his name  
2 in it, but I have no specific recollection.

3 Q Do you recall discussing him with Colonel North  
4 at all?

5 A No.

6 Q Did you have any or did anyone you know at FBI  
7 have any contact with Robinette after this week-long  
8 experience?

9 A I don't believe so. Not to my knowledge, anyway.

10 Q And, what happened regarding Mr. Terrell?

11 A We decided finally to approach him, we did jointly  
12 with Secret Service, we intensively interrogated <sup>him</sup> He had  
13 been interviewed by FBI previously, we got him to submit to  
14 polygraph, and we eliminated him as being a threat to the  
15 President.

16 We had a behavioral analysis of his activity,  
17 and indeed the assessment was that he probably could be  
18 hired for the commission of mercenary acts outside the  
19 United States, but he would likely take no action against  
20 anyone in the United States, and certainly not the President.  
21 The Polygraph indicated that he was being truthful when he  
22 said he had never had any intention of involving ~~himself~~ himself in  
23 any way to conduct an assassination, particularly not against  
24 the President. That particular portion of our involvement  
25 vis-a-vis him ceased at that point.

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1 Q Was he questioned about any potential Neutrality  
2 Act violations in Central America?

3 A Not in that, he had been in other interviews, but  
4 not in that interview.

5 Q While he was on the polygraph?

6 A Not to my knowledge, no.

7 Q We had done a number of other things. [REDACTED]  
8 [REDACTED] have done a  
9 number of other different things, ~~but~~ -- ~~and~~ North was  
10 interviewed also by FBI agents to determine his knowledge of  
11 ~~Second~~ Terrell and Robinette on July 22. We subpoenaed Terrell's  
12 phone records, <sup>in</sup> Washington, <sup>and</sup> New Orleans, conducting <sup>ed</sup> a number  
13 other interviews, we interviewed and polygraphed him on  
14 July 29, and then again on July 30.

15 Q Why was Colonel North interviewed?

16 A To determine what knowledge he had about Mr.  
17 Robinette, Mr. Terrell, and their possible activities. When  
18 we found out Robinette had been in North's office, that  
19 disturbed me. I wanted to know exactly what he knew about  
20 these people, so I sent agents over to interview him formally.

21 Q Why did that disturb you?

22 A Because he didn't tell me. It would indicate a  
23 closer association than he had indicated on the phone, so I  
24 wanted to get ~~to~~ the bottom of it.

25 Q And what was the outcome of that?

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1 A That is what I have been generally relating to  
2 you, the information, so as I have indicated about Robinette  
3 being hired by Secord and so forth and so on. There is, of  
4 course, a report of the interview that would give you the  
5 specific information, but North, as I recall, stated  
6 essentially what I have already advised you and ~~and~~ nothing  
7 much more specific than that.

8 Q Did you discuss this with Colonel North after his  
9 interview?

10 A I have no specific recollection of discussing it  
11 with North. I believe I did tell the OSG at a regular  
12 meeting that we had eliminated Terrell as a threat to the  
13 President but were pursuing other possible areas of investi-  
14 gation. We still ~~was~~ not 100 percent sure that [REDACTED]  
15 [REDACTED] related to Terrell. It  
16 was our best estimate that is who they were talking about.

17 Q Did North ever discuss with you the civil lawsuit?

18 A No. At one time or another, he made some comment  
19 about he thought the FBI ought to investigate those people  
20 that were bringing the suit because he thought they were  
21 probably being funded or supported by the Sandinistas. But  
22 I told him that is what we ~~didn't~~ <sup>don't</sup> do, but I don't  
23 remember when that was particularly; it obviously was some-  
24 time during the course of this. That is the only comment I  
25 can recall him making about the suit itself.

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1 Q Along those same lines, he registered some com-  
2 plaints regarding possible active measures being taken  
3 against him during the pendency of contra votes in Congress,  
4 including the slashing of his tires, the alleged poisoning  
5 of his dog, and he alleged he was being surveilled by  
6 persons unknown. When did that first come to your attention?

7 A I am not certain. Those complaints were not made  
8 to me, and I think they were probably either made to Dave  
9 Majors or to the FBI liaison, and I am not certain, but it  
10 would have been contemporaneous with the situation. I do  
11 know that he had received some threatening letters, that is,  
12 we got reports that there had been threatening phone calls,  
13 there was a public threat allegedly from the Abu Nidal  
14 organization, so there had been a number of different situa-  
15 tions.

16 Q But your testimony is that he never directly told  
17 you of these things.

18 A He never came to me and asked for the FBI to do  
19 anything. Whether he ever mentioned them to me, I think he  
20 had mentioned the phone calls and the letters. I don't  
21 remember <sup>anything</sup> about his dog being poisoned, but it is possible he  
22 mentioned something like that.

23 I had told Colonel North early on that the FBI had  
24 no protective jurisdiction and that it would be up to the  
25 Navy or to the White House to provide for any protection or  
security for him.

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1 Q Was this in connection with the Abu Nidal threat?

2 A Specifically in that regard, but I believe it had  
3 come before because of some harassment type of activities.

4 Q What were those?

5 A The ones we were just talking about, the phone  
6 calls and letters, as his name was mentioned in connection  
7 with controversial issues, that he would receive these types  
8 of either harassing or threatening activities.

9 Q Did he ask FBI for protection?

10 A He never asked me.

11 Q How is it then that you told him that would be up  
12 to the Navy or White House?

13 A Because he asked about [REDACTED] who is associated  
14 with the Georgetown Center for Study of Strategic <sup>Issues</sup> CSIS.  
15 Apparently [REDACTED] was bringing a great deal of pressure  
16 on everyone he could get hold of, including several  
17 Senators and Congressmen and people, and others, and we had a  
18 general discussion about the role and responsibilities of  
19 FBI, what we could do and could not do, and so he was aware  
20 of that. They had indicated at that time, that he was also  
21 concerned, and I told him at that time that he would have to  
22 take that up at the White House and either Secret Service or  
23 the Navy. It was our job to collect the intelligence and  
24 conduct investigations, and not provide security.

25 Q Okay, I am totally confused in my mind. We have

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1 got two separate things. We have got the Abu Nidal threat,  
2 of which this makes the threat apparently against Colonel  
3 North, that entire Heritage Foundation case, apparently,  
4 and this someone, gentleman, at the CS.

5 A [REDACTED]

6 Q Are you, do you know how to spell that?

7 A [REDACTED]

but I am not sure.

8 Q Now we have that threat, which apparently has to do  
9 with North's counter-terrorism account, presumably Abu Nidal,  
10 and not his contras; then we have what I call the vandalism  
11 complaints, the tire slashing, the surveillance, his dog  
12 poisoning, which he thinks is contras related, because the  
13 timing is around the contra votes in Congress. The first  
14 question is, which comes first?

15 A I don't remember.

16 Q Okay, so, when you had this conversation with  
17 Colonel North, that the FBI could not protect him and that  
18 the Navy or White House would have to do it, was that in  
19 connection with the Abu Nidal threats or with the contra-  
20 related threat?

21 A Abu Nidal. By the way, he never asked us to,  
22 he was just discussing it in general; he never asked me if  
23 the FBI would protect him or could protect him.

24 Q From the reports that we have received from the  
25 FBI regarding Abu Nidal threats, it is made clear that the

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7

5 Q Wayne Gilbert?

6 A Yes, had probably a conversation with him. I  
7 have a vague recollection that I probably, that I said  
8 something to him sometime, "Don't worry about the threats  
9 you hear about, it is the ones you don't hear, that <sup>are</sup> ~~is~~ of  
10 concern." <sup>I</sup> <sup>was</sup> Probably <sup>^</sup> trying to assuage his concern, but also  
11 that is generally true, in terrorist issues, if they are going  
12 to strike at someone, <sup>then</sup> you don't tell them about it.

13 Q What was your assessment of the threat?

14 A Just exactly that. If Abu Ridal was going to carry  
15 out an assassination attempt against North, or [REDACTED] or  
16 anyone else in the United States, they certainly wouldn't  
17 say anything about it. They might if they attempted it or  
18 were successful, they would probably claim it. That would be  
19 their MO, but ~~not~~ <sup>Not before they do.</sup> certainly ~~report it~~. That is just a  
20 form of intimidation.

21 Q Conversely, let's say you pick up some intelligence  
22 source or method that there is an assassination plot against  
23 let's say a staff member of the NSC, what steps, if any,  
24 would you take, and could you take within your jurisdiction?

25 A Well, we would, of course, make immediate

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1 notification to the individual and to whatever law enforce-  
 2 ment entity that would have protective responsibilities,  
 3 either the local police if it is a civilian, or military,  
 4 if it is a military person, or Secret Service if it is a White  
 5 House official, so whatever protective organization or law  
 6 enforcement organization that has protective responsibility  
 7 would be notified.

8 We would intensify our intelligence collection, and  
 9 if we had any basis to investigate, we would, of course,  
 10 investigate, meaning if we had any avenues to follow.

11 Q Would you investigate that as a criminal investiga-  
 12 tion?

13 A Yes. We would collect intelligence for preventive  
 14 purposes ~~as~~ <sup>and</sup> also for evidentiary purposes, and obviously  
 15 someone might reach either our jurisdiction, or if it is in  
 16 our territorial boundaries, we would take very vigorous  
 17 investigation.

18 Q Would that investigation include protection of the  
 19 individual by the FBI?

20 A No. The only time we would ever protect someone  
 21 is if the information was so <sup>imminent</sup> ~~imminent~~ that we <sup>might</sup> ~~make a~~  
 22 decision to go out and pick them up and hold them temporarily  
 23 in protective custody until we could arrange their protection  
 24 but never as a matter of course or standard practice.

25 Q In terms of the Abu Nidal threat, was anything done

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rg-21

1 other than to notify the people to whom that public threat  
2 was directed?

3 A By FBI?

4 Q Yes.

5 A Not to my knowledge. In fact, I don't think we  
6 probably confirmed the notification. It was a public threat  
7 so I think we simply confirmed it, but to my knowledge, no.

8 Q Did Colonel North ever express to you any distress  
9 after the official notification, any distress to you about  
10 that threat?

11 A In connection with the [REDACTED] matter, yes, he  
12 indicated that, as I said, [REDACTED] was making a tremendous  
13 fuss, and he indicated that he wasn't all that happy either,  
14 but that is about it. Primarily in regard to what [REDACTED]  
15 was demanding, but he indicated he too was [REDACTED]  
16 because he had a wife and children.

17 Q Did he indicate that he had taken any measures?

18 A He didn't tell me.

19 Q Didn't mention a security fence?

20 A No fence.

21 Q Did he mention any liaison he had done with the  
22 local police department?

23 A No, we had contacted the local police, they had  
24 been out to see him, and he indicated he appreciated that,  
25 and that they were going to increase their patrol in that area.

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1 but other than that, no.

2 Q Now, if we can get to the other series, with the  
3 contra-related vandalism and so forth, did you ever speak  
4 to Colonel North directly about these incidents?

5 A I don't think I have spoken to him directly. I ✓  
6 think he may have mentioned it at some of the various  
7 meetings, that his dog had been poisoned or tires had been  
8 slashed. I have no recollection he ever came to me or talked  
9 to me directly about that.

10 Q On Monday we interviewed a couple of FBI agents  
11 that interviewed Ollie North regarding these incidents.  
12 I am curious how you came to that point, that the FBI agents  
13 were dispatched.

14 A I think probably Mr. Gilbert, Wayne Gilbert, had  
15 received information and sent them out to interview him.  
16 It is possible that he mentioned something to me about  
17 threatening letters or phone calls, and I said something  
18 about they should go because that would be a matter of  
19 ~~deferring jurisdiction.~~ I have no recollection of doing that. ✓

20 Whatever caused them to interview him would be in  
21 the file. It would probably be Mr. Gilbert. If it was me,  
22 that would be reflected in the file.

23 Q Well, what the agents indicated to us was that at  
24 some meeting between Director Casey, Oliver North and some  
25 high official of FBI --

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rg-23

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1 A I was never with Mr. Casey and Mr. North  
2 together.

3 Q Do you know whether or not Mr. Gilbert was?

4 A I certainly doubt it.

5 Q What about Mr. Clark<sup>2</sup>?

6 A No, if it was anyone, it would have been Director  
7 Webster, and he would have said something to me, so I don't  
8 think that -- it is possible it might have been Dave Majors,  
9 who is an FBI official, but assigned to the NSC.

10 I know of no meeting between Colonel North, Director  
11 Casey and FBI officials at any time. I have had meetings  
12 with Director Casey, but I have never had a meeting with  
13 Director Case and Colonel North.

14 Q Did Director Casey ever tell you not to take notes  
15 at the meetings?

16 A No. I wouldn't have followed Director Casey's  
17 instructions in any case. He is a fine old gentleman,  
18 but I didn't work for him.

19 Q It seems you are the only one who didn't.

20 So you are not exactly sure than<sup>e</sup>, as I take it,  
21 who dispatched these two agents?

22 A No, but it would be in our files. It is possible  
23 that it came to me, and I told them to go out and talk with  
24 him, but I have absolutely no recollection of that, and I  
25 suspect it was probably Mr. Gilbert, but we can determine

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g-24

1 that from the files.

2 Q I have here for your perusal, I don't intend  
3 to enter it as an exhibit, some of the teletypes and basically  
4 a copy of the investigative interview. Do you recall  
5 reviewing these at any time?

6 A This is signed out by Wayne Gilbert.

7 g-end  
8 lk fols

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Thomas/2

SLK-1

1 This was not referred to the CID, this was  
 2 referred to the Intelligence Division. The person who  
 3 signed this out is Mr. Duhadway, <sup>Deputy</sup> Assistant ~~Department~~  
 4 Director. I, frankly, cannot recall this specifically,  
 5 although this is obviously accurate because they would not  
 6 have any other means to institute this.

7 Q When you say this, could you simply describe  
 8 what you are looking at?

9 A To institute a contact with Colonel North concern-  
 10 ing an allegation or a concern by him that he might be the  
 11 subject of an active measure program by a hostile intelli-  
 12 gence service.

13 I can attempt to refresh my recollection by dis-  
 14 cussing it with Mr. Duhadway, but it appears to me that  
 15 probably Colonel North made a comment to me at a regular  
 16 meeting, I went back and asked the Intelligence Division to  
 17 look into it, and they <sup>had</sup> ~~have~~ instituted an inquiry to  
 18 determine if there was any basis for investigation.

19 Q Could you explain to me why this would be referred  
 20 to the Intelligence Division?

21 A Active measures refers to the acts of a hostile  
 22 intelligence service to try and in some manner affect ~~the~~  
 23 ~~of~~ public opinion, or government action in a foreign  
 24 government. In this case, it would be to effect an act,  
 25 or vote of Congress, or an action on the part of the

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SLK-2

1 Administration that would be a matter investigated by our  
 2 Intelligence Division rather than the Terrorist Section  
 3 of the Crime ~~Investigative~~ Division. The purpose of the  
 4 investigation would be to determine if, in fact, there was  
 5 the involvement of a hostile intelligence service in these  
 6 activities.

7 Q You couldn't recall this event, do you know  
 8 whether the active measure idea emanated from Colonel North  
 9 or explained what happened to you and you would have taken  
 10 that active part?

11 A I think he probably got this terminology from  
 12 Dave Majors, that is FBI intelligence jargon. I can't  
 13 recall this but I am sort of--I would imagine that <sup>if</sup> he dis-  
 14 cussed it with Majors, Majors asked him to, or advised him  
 15 to tell me about it. He mentioned his concern to me and  
 16 I went back and advised the Intelligence Division to inter-  
 17 view him to see if there is a <sup>basis</sup> ~~any~~ for an investigation.

18 That is putting it back together, but, frankly,  
 19 I do not recall any conversation between North and myself,  
 20 so I can't give any specific <sup>of</sup> what he would have considered  
 21 active measures, but, obviously, there was such a conversa-  
 22 tion and we did take this action, but I simply do not  
 23 recall it at this point. But Mr. Duhadway signed it out  
 24 and he refers specifically to a contact between North and  
 25 myself. That is the way I would imagine that it had

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SLK-3

1 occurred as probably Mr. Majors talked to Mr. North or  
2 vice versa and North talked to me and then I advised the  
3 Intelligence Division to look into it.

4 Q Were you every advised of the results of the  
5 investigation?

6 A I don't recall. Obviously, if I was, it was  
7 nothing significant or I would recall. So, I would imagine  
8 we found no evidence or no substantiation that there was  
9 any sufficient activity. Although, are we still on the  
10 record, still in classified format?

11 Q The entire deposition will be classified.

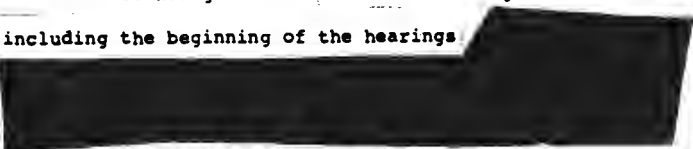
12 A



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17 So, to that extent, there was some basis for  
18 this, although the actions he was concerned with probably  
19 weren't caused by the Nicarguan Government.

20 Q That's in the recent past or are we talking  
21 sometime in the timeframe spring of 1986?

22 A It has gone on for sometime and up to and  
23 including the beginning of the hearings

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SLK-4



Q In the interview with Colonel North, there is a couple of interviews of Colonel North, but go back to the interview on June 3rd, 1986. He mentioned things that the FBI has not done. For the record, I will read them to you. Complaint number one, no interview of [REDACTED] CIA employee, regarding who could assist with information concerning active measures campaign,--lack of contact with [REDACTED] over Fred Colgan, regarding drug charges leveled against Oliver North, no interview of Daniel Sheehan of Christic Institute. He explains there is no contact or interview with Leonard <sup>Downie</sup> ~~Bense~~, but I believe <sup>Downie</sup> ~~Bense~~ of the Washington Post, no review of charges placed by Senator Kerry, no interview of Senator Durenberger or Chairman Hamilton regarding sources of charges they brought against North, no investigation of vandalism incident regarding Colonel North's vehicle.

Now, did he express to you any of these sentiments that I have just read to you?

A No.

Q At any time?

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SLK-5

1 A No, I have no recollection nor do I recall  
2 saying that, but we were concerned that we not be used in  
3 any way that would appear to be political, so, that  
4 certainly would not surprise me that he wasn't satisfied  
5 with the actions that we were able to take in an overt  
6 capacity, and he would not be privy to that which we were  
7 finding out by any covert means.

8 In fact, I believe the famous Mary Lawton memo refers  
9 to some information we came up with that she didn't think  
10 ~~it~~ should be brought to the NSC's attention.

11 But, no, he didn't raise this with me.

12 Q Was there a discussion within the FBI then of  
13 not pursuing these allegations for fear that the FBI  
14 could be accused of being used, or is this your own thought  
15 process?

16 A No, I think that I have no specific recollection  
17 of discussions with the Intelligence Division but, we ~~it~~  
18 ~~have~~ been tried before to <sup>bring us</sup> ~~be brought~~ into this contra issue  
19 and we are very cautious about that, and I didn't make this  
20 decision. I don't know what level it was made but it was  
21 made within the division, But it doesn't surprise me that  
22 he would be dissatisfied with the extent to which we were  
23 willing to pursue an active measures inquiry.

24 Q You said before they had tried to bring you in or  
25 someone had to bring you into the contra situation. What

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SLK-6

1 were you referring to?

2 A Well, we were all the time getting requests from  
3 both Congress and vice versa. We have always--we try very  
4 carefully to stay away from political aspects and only  
5 look at intelligence or criminal aspects, so I was not  
6 speaking of anything specifically, but rather generically.

7 Q The intelligence information that you have received  
8 regarding Colonel North was shared with Colonel North?

9 A Not to my knowledge.

10 Any threat information would be shared with him,  
11 but that he was [REDACTED], and that type of thing I don't  
12 believe that it was shared, not by me anyway.

13 Q Was that ever put together with his complaint  
14 about active measures taken against him?

15 A I am not certain. I am sure it must have, but I  
16 don't, I didn't sit down and say, "All right, this relates  
17 to this and this to this," that is rather axiomatic.

18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]

22 Q Mr. Egbers, who is a supervisor, do you know  
23 would it have been his decision not to pursue the  
24 investigation?

25 A I don't know whose decision it was.

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SLK-7

1 Q Would he be the next up the line from the case  
2 agent?

3 A I believe Mr. Egbers would be the <sup>unit</sup> ~~under~~ chief. ✓  
4 There would be a field supervisor in the Washington field  
5 office, there would be a headquarters supervisor, a  
6 <sup>unit</sup> ~~under~~ chief, above this <sup>unit</sup> ~~under~~ chief an assistant section  
7 chief, ~~deputy assistant section chief~~ <sup>director</sup>, the assistant  
8 director. I don't know where this <sup>decision</sup> ~~issue~~ was made. ✓

9 Q Did North ever complain to you about any  
10 possible threats or devices mailed to him or anything like  
11 that?

12 A He mentioned something one time about an explosive  
13 device in his mail box. Apparently the Navy had responded  
14 and so forth.

15 Q You said the Navy had gone out?

16 A I think the local police and Navy had gone out.  
17 I believe that we looked at it as well.

18 Q Was he requesting that you look at it?

19 A No, he mentioned it to me, he mentioned it to  
20 me after the fact, some action had already been taken in  
21 the matter. I, frankly, don't recall, I think it was  
22 probably a ~~hoax~~ device and I don't believe it was ever  
23 resolved, it was probably determined to be prank or  
24 suspected of being a prank rather than a threat.

25 Q Other than what I have read to you regarding

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SLK-8 1 this June 3rd interview of Oliver North, did he ever express  
2 to you or any of the FBI, that any journalists or members  
3 of Congress be identified, interviewed, or investigated?

4 A Never investigated either.

5 I cannot recall him asking us to interview or  
6 investigate a member of Congress.

7 Q What about a journalist?

8 A No.

9 Q Were the results of this interview brought to  
10 your attention?

11 A That interview?

12 Q Yes.

13 A Not the one where he was complaining. That is  
14 not unusual. I normally do not see specific investigative  
15 results.

16 Q Did North ever ask you what happened to that  
17 investigation or what the FBI was doing to pursue it?

18 A No, not to my recollection.

19 Q Do you know whether or not North dispatched  
20 anybody else to pursue the investigation?

21 A Such as?

22 Q Constantine Menges.

23 A I never heard. I don't know.

24 Q Do you know Mr. Menges?

25 A No. Is he a private investigator?

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SLK-9

1 Q No, he was with the National Security Council  
2 staff for while.

3 A No, that name is--at least I have no recollection  
4 of it, I have no knowledge of him doing anything in that  
5 regard.

6 Q If I could move along to the equipment topic,  
7 Ambassador Walters was there, to your knowledge, any  
8 connection between Ambassador Walters and the Iran  
9 initiative?

10 A Well, I didn't learn of the Iran initiative until  
11 July of 1986.

12 Q Right.

13 A I don't believe I--I have no recollection of  
14 ever having heard his name mentioned in regard to what  
15 briefings I did receive, so, no, I don't have any knowledge  
16 of his being involved or hearing of his involvement.

17 Q Moving on then to when the Iran initiative became  
18 public, in early November of 1986, you of course, had  
19 already been told about it by Colonel North, correct?

20 A I along with others at OSG meetings.

21 Q There came a point in time when the President  
22 made a speech on November 19th regarding that initiative.  
23 Did you see a draft of this speech prior to its being  
24 published?

25 A The afternoon before the speech.

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SLK-10

1 Q Did anything in the draft of the speech cause you  
2 some concern?

3 A Yes.

4 Q Could you describe what that was?

5 A I would have to go back to my--I think I raised  
6 five areas of concern that I came back and discussed  
7 them with Director Webster and then he brought up one of the  
8 areas with the Attorney General.

9 That was on November 13th. We had a OSC meeting  
10 at the Old Executive Office Building, and a draft, which  
11 had apparently been prepared by the Presidential speech,  
12 unit with some input from the NSC staff, was circulated and  
13 we were asked to read the draft and make appropriate comments  
14 or recommendations on the contents of the speech.

15 Q By whom?

16 A By North. And I guess it was by North, although I  
17 think Colonel Earl was there at the time as well.

18 Ambassador Bryner was there. He had replaced  
19 Oakley. Richard Armitage, Assistant Secretary of Defense.  
20 I don't recall, I think Mr. Allen was there and I believe  
21 Mr. Clarridge from the agency and General Moellering.

22 There were five areas when I read through the speech  
23 that give me concern<sup>as</sup> to the accuracy or the implications  
24 specifically, and I have a copy of the text and what I have  
25 done and gone through and underlined the areas, any case,

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SLK-11

1 I quote page 1, paragraph 2, "your government has not  
 2 conceded nor will it ~~any~~ <sup>ever</sup> concede to the demands of  
 3 terrorists." To me that seemed to be, although technically  
 4 "correct, ~~the~~ <sup>ON</sup> dissembling ~~to~~ the involvement of the U.S.  
 5 Government with a segment of Iranian government which was  
 6 dealing with ~~Mulla~~ <sup>HEZBALLAH</sup> and that seemed to me to lack credibility.  
 7 Technically, yes, the government was not dealing  
 8 with ~~the~~ <sup>HEZBALLAH</sup>, they were dealing <sup>WITH HEZBALLAH'S</sup> ~~the~~ Mulla's surrogates,  
 9 or vice versa, the ~~surrogate~~ <sup>HEZBALLAH</sup> was a surrogate of the Iranian  
 10 government.

11 Second, on page 2, paragraph 1, "at no time in  
 12 any of our actions have we departed from any firm prohibi-  
 13 tion against making concessions to terrorists or strengthen-  
 14 ing those who support terrorism." My view that I expressed  
 15 was that strengthening those who support terrorism was  
 16 directly involved and, in relation to provision of weapons  
 17 to the Iranian government. And then, therefore, that that  
 18 would be an inaccurate statement.

19 Page 5, paragraph 2, "this includes a transfer of very  
 20 limited quantities of defensive armament and spare parts.  
 21 The sum of which would fit into one large aircraft."

22 I thought it was unwise to quantify shipment of  
 23 arms and to describe them as defensive in that sense, in  
 24 fact, <sup>There</sup> ~~they~~ were anti ~~air~~ <sup>range</sup> missiles and anti-aircraft missiles  
 25 involved, and that was certainly subject to question.

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SLK-12

1           Then paragraph 8, page, I am sorry, page 8,  
2 paragraph 3, "there have been several erroneous reports of  
3 alleged numerous deals trading arms for hostages. There is  
4 no basis in fact to these reports or any other story  
5 suggesting U.S. connection to Danish merchants' use of  
6 Italian ports, Miami-charter pilot, et cetera." I raised  
7 it because I knew of the Southern Air Transport being  
8 involved from Miami ~~and~~ in the shipment, I raised this  
9 issue saying, wait a minute, have you carefully checked that  
10 because it was my understanding, at least from Colonel North  
11 in the call he had made to me about General Secord's concern  
12 about the subpoenaing of records from Southern Air that,  
13 in fact, Southern Air was involved in the Iranian initiative.  
14 So, I raised that as a point of accuracy. I did not know  
15 when or perhaps pilots from other locations were used,  
16 but that seemed to be rather technical and I thought it was  
17 putting the President on a very tenuous situation to leave  
18 something in there that was questionable.

19           Then, the last point was that page 9, paragraph  
20 3, "another unfounded charge is that we have violated our  
21 policy of neutrality in the Iran-Iraq War."

22           I simply expressed the opinion it was difficult  
23 to claim neutrality when you were shipping arms and  
24 munitions to one side of the conflict.

25           I came back to headquarters, I sent a note to

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SLK-13

1 Director Webster, Here is the note, dated November 13th,  
 2 "Judge, I would like to speak to you about this draft of  
 3 the President's speech for tonight." This went into the  
 4 Director at 4:55 p.m. on November 13th. We discussed it,  
 5 each of these points, He called the Attorney General, this  
 6 is his handwriting. "At no time in any of our actions have  
 7 we departed from the prohibition against making <sup>concessions to</sup> terrorists  
 8 or strengthening those who support terrorism." He writes  
 9 "I raised that to the AG, I can't <sup>read this</sup> his handwriting is worse  
 10 than mine.

11 Anyway, he called the Attorney General and got him  
 12 in his car phone, told him that we were generally concerned  
 13 about the accuracy of some of the information in the  
 14 President's speech for that evening, and specifically cited  
 15 this as a concern.

16 The Attorney General, at least Judge Webster told  
 17 me, the Attorney General indicated he would look into it.  
 18 I believe that particular reference was modified.

19 MR. MCGOUGH: Did you raise these concerns at  
 20 the OSG meeting?

21 THE WITNESS: Yes, that is what I told him I had  
 22 raised these at an OSG meeting and that was the context of  
 23 telling the Director that I had reviewed <sup>it</sup> I gave him the  
 24 text, and pointed out the areas that I had concern about and  
 25 what I raised at the OSG, and wanted to, wondered if he

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SLK-14

1 in fact might not want to raise it with the Attorney General  
2 and he contacted the Attorney General about the general  
3 accuracy of ~~some of the other~~ and specifically this particu-  
4 lar point. He did not raise the other issues specifically  
5 to my knowledge.

6 BY MS. NAUGHTON:

7 Q When you raised it then at the OSG meeting, what  
8 did Colonel North have to say?

9 A He too doubted the comments and I <sup>raised and</sup> said ~~He~~  
10 would take them up with the speech writers. He also indi-  
11 cated he appreciated ~~it~~ <sup>my raising those points.</sup>. There were a number of others,  
12 Moellering raised a couple of comments and Jerry <sup>Ve</sup> Brumer  
13 had several comments, <sup>North</sup> and ~~he~~ indicated that he would take up  
14 the general comments of the OSG, which informally were to  
15 make the speech accurate, get the speech to reflect the  
16 situation as we knew it. Now, the OSG, at least I think  
17 most of the OSG, were certainly not aware of some of the  
18 things that had gone on, <sup>but in those areas where we</sup> ~~and most of the things that had~~  
19 ~~gone on~~ <sup>had knowledge,</sup>, we were ~~enough~~ aware that the speech reflected  
20 inaccuracies, that ~~which~~ we did ~~not~~ know about, at least,  
21 in part.

22 Q What did Colonel North say about the reference  
23 to a Danish merchant ship and the reference to a Miami  
24 charter?

25 A He didn't say anything specifically about anything

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SLK-15

1 other than when we raised it, he would take it up. Now,  
 2 I didn't say, "Ollie remembered the phone call you made to me  
 3 about Southern Air Transport," I just said, "you had better  
 4 check the accuracy because it is my recollection there were,  
 5 in fact, some operations from Miami." So, ~~this was~~ this was  
 6 a very ~~easy~~ hectic and almost confused meeting because  
 7 there was a very tight time line, they were trying to get  
 8 this back to the President, the speech was scheduled for  
 9 that night. *There was* ~~some~~ very little time for the speech writers  
 10 to make corrections, so it was a very hurried review. That  
 11 is the reason that when I got back, I immediately ~~asked to~~  
 12 ~~see the Director~~, went in to see the Director, and raised  
 13 *with him my concerns so that* ~~as~~, perhaps, the Attorney General could add some weight  
 14 to a careful review of the text before the President went  
 15 on the air.

16 Q Did Colonel North say where the language origi-  
 17 nated in particular? Now, I am referring to the Danish  
 18 merchant ship.

19 A No, he didn't mention where any of that language  
 20 other than this was being put together by the Presidential  
 21 *speech* unit with the assistance of the NSC's staff.

22 Q So, your testimony is he did not discuss the  
 23 actual substance of those facts?

24 A We didn't have time to go into debate, we just  
 25 went through and raised the issues that ought to be either

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SLK-16

1 checked, rewritten, revised, or in some manner confirmed;  
 2 because they raised concerns with us even with our limited  
 3 knowledge of the situation.

4 Q Was there discussion that Israel's participation  
 5 should not be mentioned?

6 A No, there wasn't and I was trying to think at the  
 7 time. I am not even certain that Israel's direct participa-  
 8 tion had been briefed to the OSG. This was knowledge that  
 9 Israel had in some way, supported, but I don't think that  
 10 we had been told that Israel was directly involved in the  
 11 initial shipment or anything that we have subsequently  
 12 learned of Israel's direct involvement.

13 I know at the time when I heard the first press  
 14 coverage and the President made the statement, "no other  
 15 country was involved," by that time, we did know that Israel  
 16 had been involved and <sup>I</sup> was quite concerned until <sup>The White House</sup> came  
 17 back and made the correction. But I don't specifically  
 18 recall ~~was~~ if we had information that directly related  
 19 to Israel's involvement in the first, I think it was the  
 20 October of 1985 shipment.

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1 Q Specifically, Secretary Armitage, do you recall  
2 him discussing Israeli shipments?

3 A I believe he did. Now that you mentioned that, I  
4 believe he said something about Israel wanted replacements,  
5 so, yes, I do recall.

6 Q Was this during this meeting where you went over  
7 the draft of the speech, or was it prior to that?

8 A It was either then or the day before he was to  
9 testify with Director Casey. We had another meeting, and I  
10 scared the ~~hell~~ out of him. He commented about that. But  
11 I am not sure whether it was at the time of the speech or  
12 before the testimony, but he did mention at some point the  
13 Israelis were quite anxious to get their missiles, their  
14 inventory renewed.

15 Q Did he indicate he knew that at the time, or is  
16 this something he just recently learned, or did you get --

17 A He certainly knew at the time, this was something  
18 that he mentioned as though we all knew it. So, it was  
19 obvious from the way he said it that he had known it for  
20 some time, at least it appeared that he had known it for  
21 some time.

22 Q Now you say that you met before the Casey testimony,  
23 which was on November 22, 1986.

24 A Yes.

25 Q Was this a meeting of ~~000~~?

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1 A Yes, it didn't relate to the testimony, it was just  
2 the day before.

3 Q Did you see a draft of Mr. Casey's testimony?

4 A No, I did find out that there were several people  
5 that had been working on the draft, both ~~I think~~ North and  
6 Earl, ~~and perhaps~~ Secretary Armitage, ~~who~~ had not been  
7 working on ~~it, I don't think on~~ Casey's <sup>statement,</sup> but on his own,  
8 ~~but~~ They were trying to put together a chronology. By the  
9 way, at none of these meetings did anyone ever mention in  
10 any way manipulating or falsifying or in any way making a  
11 mis-or false statement on chronologies. That was never  
12 mentioned in the OSG.

13 Do you have the date on that, when that testimony --

14 Q Casey's testimony was the 21st of November.

15 A Yes, the OSG meeting on November 20th, 3:00 o'clock,  
16 the day before.

17 Q And do you recall how the subject of Casey's  
18 testimony came up?

19 A Well, the subject of, there was concern about the  
20 accuracy of the statement ~~some~~ the President had made, and  
21 trying to put this thing together; because of the questions  
22 that OSG had raised by this time, there was a great deal of  
23 dissent on the part of the State Department over the manner  
24 in which information was being put together.

25 Q Can you explain that to me?

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1           A     Jerry Bremer was just about throwing up his hands  
2     and saying "This doesn't comport with what we believe",  
3     and this is when I told those assembled, something of this  
4     order, I said, "Gentlemen, I have testified hundreds of  
5     times before hearings, grand juries and courts, and the  
6     Congress, let me tell you one thing, before you go up there,  
7     you make sure everything you say is absolutely accurate, and  
8     if you don't know it is accurate, don't say it."

9           And Rich Armitage said, "You are scaring the hell  
10    out of me." I said, " Good, that is what I intended."  
11    That was the reason that this sticks out, because it was  
12    the day before Casey's testimony, which has later come to be  
13    so controversial.

14           Q     When you say Ambassador Bremer was concerned,  
15    did he say what specifically State disagreed with?

16           A     I had <sup>seen</sup> ~~been~~ Director Casey's testimony, <sup>he</sup> ~~he~~ had, I  
17    didn't know what he was concerned about, ~~he was saying it~~  
18    was wrong, it was in error, and I had <sup>not</sup> ~~seen~~ ~~the substance of~~  
19    it, and we didn't review it, as we had the President's  
20    speech. So I don't know specifically what he was referring  
21    to, but it was my impression, let me make sure -- it is my  
22    impression it was to do with the Israeli involvement and  
23    timing of this involvement and whether or not there had been  
24    in fact a Presidential finding.

25                   Now, that is my impression and recollection. If

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1 you talk to Jerry Bremer, it may not be what he was  
2 primarily concerned with. That is my recollection.

3 Q Did he specifically mention 1985 shipments?

4 A I don't -- I think he mentioned the Israeli  
5 connection, and Israeli involvement, but I don't remember  
6 him specifically mentioning dates and shipments and so forth.

7 Q Did Ambassador Bremer mention whether or not this  
8 situation was being worked on by anybody else at State,  
9 with anybody at NSC?

10 A Well, there was general discussion between Defense,  
11 State, CIA, and NSC. I was sort of odd man out there, about  
12 trying to get all the information together, get it down,  
13 make sure that the chronology was accurate. And there had  
14 been a review back and forth between State and NSC or CIA  
15 obviously, because it was Mr. Casey's testimony. I was not  
16 privy to that, but that was the subject matter that was  
17 ongoing. That is when I simply made my gratuitous statement,  
18 make sure it is accurate and so forth.

19 :g-end  
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1 Q Was Colonel North late to this meeting? I know  
2 that is probable.

3 A I don't remember. On many occasions, various of  
4 us were late and they would simply go ahead, and we would  
5 simply go ahead and we would catch up. Bob Earl or Coy  
6 would start it up. I don't remember.

7 Q When these concerns were raised, by Ambassador  
8 Bremer and others, did Colonel North manage any statement  
9 to the effect that these are being taken care of, or someone  
10 else is doing this, or did he argue the substance of it  
11 with them?

12 A No, he didn't argue the substance, he indicated  
13 it was being worked on, it was his impression it was going to  
14 be corrected, but it was a matter of confusion rather than  
15 intent, and the chronology was going to be put together  
16 accurately before Casey and Armitage went up to testify.

17 MR. McGOUGH: Was there a draft of the chronology  
18 at the meeting?

19 THE WITNESS: I don't remember seeing one, and  
20 I didn't personally see one. It is possible that they had  
21 it in their possession, but didn't pass it around.

22 BY MS. NAUGHTON:

23 Q Did you ever see one?

24 A No, I am sorry, I did not. I couldn't have  
25 given much help because I was not privy to the activity

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1 until July of 1986.

2 Q Was there any other discussion relative to Casey  
3 testifying?

4 A No, other than Mr Armitage was quite concerned.  
5 He said, "you know, Secretary Weinberger hated this, he was  
6 opposed to it, and ~~he was~~ he was very concerned about the  
7 impact of this." So just general comments that it was a  
8 very unfortunate situation, that to ~~have to~~ have the United  
9 States put in this particular type of position. Publicly  
10 reveal <sup>had</sup> had, in fact, shipped arms.

11 Q Did you receive any reports after Mr. Casey  
12 testified regarding his testimony?

13 A No. Well, I didn't receive any. I heard comments  
14 in the newspapers that there were -- it was almost an  
15 immediate concern on the part of Congress as to its accuracy,  
16 other than that, officially I heard of nothing.

17 Q Did you at any time <sup>advise</sup> ~~visit~~ Colonel North to  
18 retain an attorney?

19 A No.

20 Q For any reason?

21 A No.

22 Q Do you know of anybody at the FBI who did?

23 A No.

24 Q Do you know anybody at the Department of Justice  
25 who so advised him?

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A Not to my knowledge.

Q Did he ever say to you that he had been advised by anyone to retain an attorney?

A No. After that meeting, before Mr. Casey's testimony, I only talked to Colonel North one more time, that was on the telephone the morning that he was terminated in his employment & sent back to the Marine Corps, and he simply related to me that he had been reassigned, and Admiral Poindexter was resigning, and there would be a news conference with the President and Attorney General Meese at noon. That is my last contact with Colonel North as of this date.

Q If I can I want to back up a little bit before we get to that.

What was the state of your knowledge, as of this weekend, regarding the Attorney General's activities in trying to take on this fact-finding inquiry about what happened?

A I wasn't even aware of it until Monday when Director Webster mentioned that on Friday he had had a conversation with the Attorney General, and had offered FBI assistance, and the Attorney General had said that he didn't think it was needed. We had a meeting with Director Webster and myself and Mr. Clark on Monday evening.

Q Let's back up.

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1 He told you Monday morning that he had discussed  
2 this with the AG on Friday; is that correct?

3 A Yes.

4 Q What did he tell you that the Attorney General  
5 told him about?

6 A Just that the President had asked him to look  
7 into the facts and make sure that they were accurate  
8 because by this time there had been, as I said, a great deal  
9 of concern about whether Mr. Casey was giving or had given the  
10 right information, and the Attorney General had advised  
11 that the President had asked him to look into it, and  
12 the Director had offered or asked if any FBI assistance  
13 was needed. And the Attorney General had said, "no, not that  
14 I know of; can you think of anything;" and the Director  
15 said, well, not that he knew of either.

16 This, of course, was before there was any  
17 knowledge of the connection with the contras or infamous  
18 smoking gun memo on the diversion. And as I say, I knew  
19 nothing further until the Attorney General's comment on  
20 television, except that the conversation I had with Colonel  
21 North that morning, that he was leaving, that Poindexter  
22 had resigned, but I did not know of the contra connection  
23 or the diversion until I heard the Attorney General on  
24 television. It had never been mentioned by Colonel North  
25 even the day he left.

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1 Q Do you know whether or not Director Webster, after  
2 that conversation with Attorney General Meese on Friday,  
3 spoke to him subsequently from Friday and Monday?

4 A Well, I have no direct knowledge, although in  
5 ~~presenting~~ Judge Webster for his confirmation he indicated  
6 that he had not. So except for what he said to me, I have  
7 no direct knowledge, and he, in fact, said he had not.

8 Q Now when you met on Monday morning, I gather this  
9 was just a short conversation with the Director in terms of  
10 what the Attorney General had told him?

11 A The Attorney General's speech was on Tuesday;  
12 wasn't it?

13 Q Yes.

14 A I don't think we met on Monday. I think it was  
15 Tuesday after the Attorney General's speech and he  
16 mentioned the Attorney General's comments to him, and  
17 indicated that he thought we ought to be prepared to  
18 get into the case. We started preparation next morning.

19 In fact, the Director was out of town, the Attorney  
20 General reached him by phone, ~~asked us~~ asked us to enter the case.

21 MR. McGOUGH: What date was that?

22 THE WITNESS: ~~Wednesday~~ Wednesday morning.

23 BY MS. NAUGHTON:

24 Q When did the Director say you should prepare to  
25 get into the cases?

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1           A     Tuesday after the Attorney General's -- afternoon  
2 after the press conference.

3           Q     Now, when you and the Director and Mr. Clark e  
4 met Monday evening, did you discuss this issue?

5           A     That was Tuesday evening, that is what I said  
6 my recollection -- it was Tuesday evening that we met  
7 about being prepared to get into the case. That is the  
8 reason I went back and said when was that. It was Tuesday  
9 evening.

10          Q     When the Director said this, what facts or  
11 what were you waiting for?

12          A     Well, the reason for us, obviously, thinking we would  
13 probably be asked to enter the case, was the implication of  
14 there being a diversion of funds, which there was, at least  
15 at the time, the possibility of being government funds to the  
16 contras, and so at that point we wanted to be prepared  
17 to quickly enter the case if we were so asked.

18          Q     But, what I am getting at, you were waiting to be  
19 asked by the Department of Justice to enter the case?

20          A     No, I think the Director, after the conference,  
21 had made contact with the Attorney General and the Attorney  
22 General had indicated he was asking the Criminal Division  
23 to examine the predicate, and we should stand by.

24                That is when he called for me and Mr. Clarke e  
25 and indicated to us we should be prepared to quickly enter

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1 the case and, in fact, it was the next <sup>day</sup> ~~morning~~ when we  
2 ~~developed~~ <sup>received</sup> the official request. He had been in contact  
3 with the Attorney General that afternoon.

4 Q For how long were you involved in that process,  
5 you recused yourselves?

6 A <sup>The</sup> ~~Next~~ day, when we actually were asked <sup>to</sup> ~~in~~ the case  
7 it appeared the basis for it would be action on the part of  
8 John Poindexter and/or Colonel North. <sup>In</sup> view of my direct  
9 liaison with the NSC on terrorism matters, I discussed  
10 it with Judge Webster, and, from the standpoint of perception,  
11 we thought it would be best if I recused myself, and I did  
12 so that day.

13 Q That was Wednesday morning?

14 A Yes.

15 Q Prior to your recusal, was there any discussion  
16 of securing documents?

17 A ~~There~~ <sup>there</sup> were not. I recused myself immediately  
18 upon ~~us~~ being asked to enter the case, there had been no  
19 discussion of securing documents at that time.

20 Q Have you been interviewed by an agent <sup>assigned</sup> ~~to~~ the  
21 independent counsel?

22 A Six times.

23 Q They are getting back to you?

24 A Probably again. I have been on both sides. I  
25 would rather be doing the interviewing, rather than being

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1 interviewed.

2 Q I was supposed to ask if 1069 was a Swiss bank  
3 account?

4 A That is a day that will live in infamy in the  
5 Bureau's lexicon.?

6 Q Did you ever tell Colonel North, that you can recall,  
7 I am specifically concentrating on this weekend between  
8 November 20 through 25, tell him that there was a probability  
9 that his phones or Mr. McFarlane's phones would be bugged?

10 A I had no conversation with him at all. I certainly  
11 wouldn't have said anything like that.

12 Q Do you recall ever saying anything like that?

13 A No.

14 Q Do you know if anybody at the FBI ever said  
15 anything to him to that effect?

16 A In fact, that has no credibility, because everyone  
17 knows that there is only way -- two ways to get a wire  
18 ~~tap~~ <sup>TAP</sup>; one is through ~~surveillance~~ <sup>FISA</sup> and ~~one by Title III~~ <sup>one by Title III</sup>. There is  
19 no basis for that.

20 Q I take it then, just to make the record clear, you  
21 did not speak to Oliver North on November 22, 1986, a Friday?

22 A No, the last time I spoke with him, other than  
23 the phone call, was the OSG meeting on Thursday, unless  
24 he called me on Friday for something, and I have no recollection  
25 of him doing so. ~~But he called Friday.~~ If he called

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1 it had nothing to do with anything other than terrorism,  
2 but I have no recollection of him calling.

3 I don't want to say no and then come back to the  
4 fact he had called me, but I have no recollection of a  
5 call, for certainly I know that there was no discussion  
6 of this situation. So the only call I did receive was  
7 the morning of his departure.

8 Q By the way, in any of your conversations with him,  
9 throughout October and November, did he ever indicate to  
10 you that he, as a matter of course, was shredding documents  
11 pertaining to the Iran initiative?

12 A No, Mr. North had a very healthy respect for me,  
13 individually, and the FBI. He never raised anything that  
14 would indicate any sort of illegality or any criminal<sup>in</sup> conduct.  
15 He never advocated any criminal conduct. He never even  
16 pontificated about criminal conduct.

17 I am the last person he would have ever raised  
18 the destructions of documents with.

19 Q I am not specifically talking about criminal  
20 conduct, his testimony is, you may be aware, is that he  
21 was shredding in the normal course, preparing for his departure  
22 from the NSC, and, therefore, was getting rid of documents.

23 A Until the morning that he left, I had no idea  
24 that he was even leaving.

25 Q He never mentioned to you his plans of being

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1 reassigned as a matter of course?

2 A No, he never mentioned anything to me about  
3 shredding documents or destroying documents, or in any  
4 other way concealing information.

5 Q If we can go to your conversation of the 24th,  
6 then of November 24th, did he call you or did you call  
7 him?

8 A I called him and then he called me back

9 MR. GENZMAN: 24th or 25th?

10 THE WITNESS: The morning that he left, the morning  
11 of the press conference.

12 MR. GENZMAN: The 25th?

13 THE WITNESS: Yes, sir.

14 BY MS. NAUGHTON:

15 Q Thank you.

16 Why did you call Oliver North?

17 A There had been an awful lot of comments over the  
18 weekend about North and his role. This thing was, obviously,  
19 unfolding in the news media, and I was calling him to give  
20 him a pat on the back and say, hang in there, Ollie, and don't  
21 let them get you down; and he broke it to me that he had  
22 been reassigned, and Poindexter; he called back, then told  
23 me that.

24 Q So you talked to him on the morning?

25 A Yes, just about, I think 11 o'clock, just before

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1 the press conference.

2 Q What exactly did he tell you, to the best you can  
3 recall?

4 A Just exactly that, <sup>very</sup> short conversation---

5 Q Did he say he had been fired, or did he say---

6 A Had been reassigned.

7 Q What I am getting at, is this something that they  
8 allowed him to do, did you get the impression they were  
9 allowing him to request reassignment?

10 A I got the impression that he had ~~been~~ asked to  
11 be reassigned. Now that probably is inaccurate, but that  
12 is the impression he left with me. And that Admiral Poindexter  
13 had ~~reassigned~~ of his own accord.

14 Q Did he say who it was he dealt with regarding  
15 reassignment, who told him, I think it would be better---

16 A No, it was a very short conversation. We didn't  
17 get into that. He told me that the President and Attorney  
18 General would be having a press conference. I knew the  
19 Attorney General had been involved in this so I just made  
20 the assumption that the Attorney General had probably  
21 indicated he ought to leave, but I don't know for a fact.

22 Q Did Colonel North, you say he never mentioned  
23 anything about the contra diversion in that conversation?

24 A No, I didn't know about that until I heard  
25 the Attorney General mention it.

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1 Q Didn't you think it was peculiar then he was  
2 resigning?

3 A No.

4 Q Over the Iran initiative?

5 A No, because I thought it was such an egregious  
6 deviation from our policy when <sup>they</sup> ~~he~~ undertook this that when  
7 it became public, that those who had in any way been involved  
8 in it would probably be leaving. So it seemed to me to be  
9 quite consistent as this unraveled that those who had  
10 advocated or supported it would probably be leaving even  
11 though there had been a Presidential finding.

12 Q Did North mention to you whether or not there had  
13 been a plan to make him a fall guy, or did he refer to  
14 himself as a scapegoat or fall guy?

15 A No.

16 MR. McGOUGH: Is that no?

17 THE WITNESS: No.

18 BY MS. NAUGHTON:

19 Q Did Colonel North ever refer to Director Casey  
20 in his conversations with you or in your presence?

21 A Oh, yes. But he also referred to the Attorney  
22 General. He also referred to Bud McFarlane and John  
23 Poindexter, because we were discussing issues of ~~the~~  
24 intelligence community counterterrorism involvement. He never  
25 mentioned to me any special relationship with Director Casey

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1 or that he was working under any orders or any special  
2 relationship, but certainly he mentioned that Director Casey  
3 had said this or wanted this, was interested in this,  
4 things of that nature.

5 Q Did he ever refer to him as Bill?

6 A NO, not in my presence. Nor did he refer to  
7 the Attorney General <sup>as Ed. He</sup> always said 'Attorney General' or 'General  
8 Meese.'

9 Q Did he never indicate to you that the State  
10 Department should not be told about any certain activities or  
11 anything like that?

12 A No, he had a very substantial skepticism about the  
13 ability of the State Department to do anything or keep  
14 anything secret, although I think he did respect both  
15 Ambassador Oakley and Ambassador Bremer. We had worked  
16 on a number of issues together, a number of activities  
17 relating to terrorism, but in general, it was obvious  
18 that he had held the State Department bureaucracy in disdain.

19 Q Were you, after the Hasenfus crash in early  
20 October of 1986, were you aware of the request made by  
21 Members of the House of Representatives for an independent  
22 counsel to look into that matter?

23 A Yes, at some point, I am not exactly sure when,  
24 but I do recall seeing <sup>it.</sup> I get daily clips, and also read  
25 three newspapers every day, so I knew at the time that it was

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1 made public that there was comment in that regard.

2 Q Are you aware that the bureau was gathering  
3 materials for review by the Department of Justice to see  
4 if an independent counsel was warranted?

5 A The only thing that I saw later was the Mary Lawton  
6 comment, that was reflected in a note, that I didn't see *at The Time*  
7 that went to Director Webster, that came out during his  
8 confirmation hearings. No, I was not aware of that -- that  
9 I have no recollection that ~~that~~ I was told individuals ✓  
10 in the bureau were collecting information specifically for  
11 that.

12 It doesn't surprise me because that is what they  
13 should be doing when they see Congress advocating public  
14 record information or information in our files that would  
15 be related to that.

16 Q But that collection did not go through you?

17 A No.

18 Q Were you aware of a case by the name of Kelliso  
19 out of Colorado. This is a person who was convicted of  
20 conspiracy to sell arms to Iran. He received a probationary  
21 sentence ~~\_\_\_\_\_~~?

22 A I don't believe so.

23 Q He eventually got involved with John <sup>u</sup>Hall down in  
24 Costa Rica?

25 A No, if I <sup>SAW</sup> ~~say~~ something on that, I have no recollection

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1 and if I saw something, it would have been something very --  
2 I have no specific knowledge of it.

3 Q I know you have been out of the country, and so  
4 forth, but from what you have been able to read about  
5 the hearings and watch on the hearings, is there anything  
6 that any of the witnesses, in particular Colonel North,  
7 have said, that does not comport with your recollection?

8 A Well, ~~was~~ one ~~that~~ that apparently didn't come  
9 out, the phone call he made to me in regard to the Southern  
10 Air Transport, and Customs. Our congressional affairs  
11 people found out there was a memorandum that he had written  
12 which indicates that he had contacted me in regard to the  
13 concern with the Customs inquiry, and that I had informed him  
14 that the Attorney General had, I don't know how it was  
15 described, related, in fact, that he had frozen the FBI  
16 case and any investigation by FBI of General Secord and the  
17 contras.

18 That I had, in fact, ~~was~~ referred him to  
19 Mr. Trott. Well, part of that is true. But part of it is  
20 not true. He did call me. He did tell me that General  
21 Secord had called him and was concerned that the Customs  
22 subpoenas would reveal that Southern Air Transport had been  
23 involved in the Iranian initiative, and that they still  
24 hoped to carry out a part of that initiative with the release  
25 of hostages, and he was going to call Customs.

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1 I told him not to call Customs. The matter was ✓  
2 under criminal investigation and advised him to call Steve  
3 Trott. I then called Steve Trott and told him about the  
4 call and told him North would probably be calling him.

5 I later confirmed with Trott that North did call  
6 him. He mentioned Secord, he mentioned Southern Air  
7 Transport, he mentioned the Iranian initiative. He  
8 never mentioned Secord and the contras. He never mentioned  
9 the contras whatsoever. That was apparently in his PROF  
10 note. I guess he wrote it to John Poindexter. That is  
11 absolutely inaccurate. I haven't seen his testimony. A ✓  
12 I have been able to do is catch bits and pieces of it, and  
13 that is the only thing specifically I know that directly  
14 relates to me or my knowledge that was inaccurate.

15 I am sure there may be other areas where  
16 that might be the case.

17 Q Okay, thank you.

18 That concludes my questioning, and I hand it  
19 over to Tom.

20 **EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE**

21 **BY MR. MCGOUGH:**

22 Q Mr. Revell, my questions are going to be all over  
23 the lot because I am going to go through my notes, if I  
24 could.

25 There is, however, one area I would like to cover in

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1 a little bit of detail, and that is the fake Saudi prince  
2 eposide, and the prince has been referred to by various  
3 names. He used the alias [REDACTED]

4 We have examined some correspondence that  
5 you provided to the Select Committee on Intelligence, one  
6 of April 17th?

7 A Yes.

8 Q A letter of 1987 to the committee?

9 A Right.

10 Q Also some of the back-up documents. For the purpose  
11 of this deposition, would you just relate your first contact  
12 with that investigation and Colonel North's involvement  
13 therein.

14 A All right. This I don't think I need to set the  
15 stage for this, although I think my letter to Senator  
16 Boren does that.

17 Q This would be a letter of April 17, 1987?

18 A Right, on April 11, when I received the phone call  
19 from Mr. Samar, J-A-N-A-R, <sup>CHIEF</sup> ~~which was~~ of the White Collar  
20 ~~Criminal~~ <sup>Criminal</sup> Section, he asked me if I recalled a case, fraud  
21 case in Phila <sup>Division</sup>, wherein I had a call, received  
22 a call from Colonel North, at the time of his call, I  
23 initially had no recollection of it whatsoever. He then  
24 indicated that it had to do with a fraud case involving  
25 an individual who was supposed to be involved with collecting,

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1 or involved in the Middle East, and to have some knowledge  
2 of the hostages, and so forth.

3 As he discussed it with me on the phone, this had  
4 come to ~~his~~ <sup>during</sup> attention ~~at~~ the Director's confirmation, <sup>hearing</sup> and ~~a~~  
5 general inquiry that headquarters had made of these areas ~~for~~  
6 ~~the hearings~~.

7 I did recall that I had, in fact, contacted the United  
8 States Attorney's Office in Philadelphia about a case, an  
9 FBI case, ~~at~~ approximately a year ago, ~~under the specific~~  
10 ~~dates~~ a year ago at that time -- to ascertain if an  
11 individual who had been interviewed by FBI, and who was  
12 subpoenaed to testify, was going to be asked any questions  
13 about the hostages.

14 Q The individual about whom you were inquiring was  
15 Richard Miller?

16 A Right.

17 Q And how did Mr. Miller come to your attention?

18 A Well, when Mr. Jamar indicated those facts to  
19 me, then I, in fact, did recall that I had made a contact with  
20 an Assistant United States Attorney in Philadelphia, at  
21 the behest of Colonel North, and his name, Mr. Miller's  
22 name, had come to me from Colonel North, who had called me  
23 and said that Richard Miller was a consultant to the State  
24 Department and NSC on the hostage situation, that he had  
25 been subpoenaed by FBI agents to testify before a grand  
jury in Philadelphia, and that he was concerned, that Mr.

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1 Miller was concerned that he might be asked questions about  
2 his activities on behalf of the government in relationship  
3 to the hostages, and thereby reveal these very sensitive  
4 ongoing negotiations.

5 Colonel North asked me if I, since it was an  
6 FBI matter, if I could inquire and determine if there was  
7 going to be any questioning of Mr. Miller by the Assistant  
8 United States Attorney.

9 Q Did he indicate why he was asking you to do that  
10 as opposed to Mr. Miller's attorney?

11 A Well, Mr. Miller's attorney presumably would not  
12 have known about the secret United States Government activity  
13 on behalf of the hostages.

14 Q And how about why he was asking you do it instead  
15 of someone at the State or someone at NSC?

16 A It was a matter for the FBI and a matter under  
17 investigation that would not have been the way to go. I was  
18 the FBI contact on these issues. It would have been  
19 inappropriate to go through any other channel, and his contact  
20 with me since it related to an area of our jurisdiction,  
21 meaning the hostages, and to a case under our investigation,  
22 meaning the fraud case, was entirely appropriate.

23 Q In the course of your conversation or conversations  
24 with Colonel North on this matter, did Colonel North mention  
25 any connection between the target of the investigation, the

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1 Saudi prince, and any activities in Nicaragua or Central  
2 America?

3 A No.

4 Q Did he mention any potential use of funds generated  
5 by any transactions under investigation?

6 A In the first place, he never even mentioned the  
7 Saudi prince. All he mentioned was Miller had been subpoenaed.  
8 I didn't learn about the Saudi prince until I talked with  
9 the White Collar Crime Section and found out what the case  
10 was about, found out Miller was a witness, not a subject,  
11 and that it was an FBI case. I had the Criminal Investigation  
12 Division White Collar Section contact the United States  
13 Attorney, arrange for the Assistant United States Attorney  
14 to come to the Philadelphia office, and to talk to me on  
15 a secure phone. The reason I did it personally is because  
16 I had been very aware and concerned of anybody intervening  
17 inappropriately in any FBI activity, and since I had the  
18 responsibility for investigations and the relationship with  
19 the NSC, I chose to do it myself after checking with the  
20 Criminal Investigation Division.

end 3

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Q Was there any discussion, I want to focus on your conversation, with Colonel North at this time, any discussion by Colonel North of any relationship between the principals or Mr. Miller or any of the transactions in which Mr. Miller was involved?

6

A He never mentioned the principals.

7

Q Any discussion of Mr. Miller or anyone involved in the case also being involved in matters in Nicaragua or in Central America?

10

A No.

11

Q I am speaking of Colonel North discussions with you.

12

13

14

15

16

17

18

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24

25

A Colonel North discussions with me, the only thing he mentioned was Mr. Miller was a consultant to the State Department and the NSC on the hostage situation, that he had been subpoenaed by an FBI agent to testify, in a fraud case, and he was concerned that his activities on behalf of the U.S. Government might be pursued before the grand jury and therefore unintentionally and inadvertently reveal there was an ongoing effort. He did not mention the contras. He did <sup>NOT</sup> mention Iran. He did not mention any other issue except the hostages and the testimony by Mr. Miller before the grand jury.

26

Q So he did not mention Central America?

27

A No.

28

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Q Did not.

You brought it up through I believe a secure telephone call you had?

A Yes.

Q With the Assistant U.S. Attorney?

A In fact, the Philadelphia office and the CID arranged for me to talk with Mr. <sup>Nichols</sup> Harbus, as I recall. Mr. Dennis, the U.S. Attorney was in the office. I chatted with him for a minute or two on a secure phone and then I talked with Mr. Harbus. I am sure you must have Mr. Harbus' memo of the conversation.

Q Yes.

A I have reviewed that memoranda and it accurately reflects our conversation.

As you can see from the fact that when I mentioned to him Miller, he described what Miller is -- I had no idea what Miller was. He described Miller as president of international business and so forth, and is a potential witness. Then I told him that Miller was used, I think I probably said that he was a consultant, he said was used by the White House and NSC concerning the hostages. I have no recollection of mentioning the name of Dussey. He probably put that in. I don't think I knew the <sup>name of</sup> ~~name of~~ *the so called sandy* ~~name of~~ *PRINCE*. It is correct in I explained it was potentially sensitive because the hostages were still being held and efforts <sup>were</sup> being

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m3

1 made to obtain their release. That is accurate then. I  
 2 inquire<sup>✓</sup> as to whether he intended to question Miller in  
 3 that regard before the grand jury, and I also told him that  
 4 ~~the FBI~~, Miller was not authorized by FBI or NSC to commit  
 5 any crimes, <sup>✓</sup>that is all.

6 He told me that Miller was not a subject, which I <sup>✓</sup>  
 7 already knew, but a witness, and that he had no intention  
 8 of going into anything to do with the hostages, and in  
 9 fact, they had already, he and Mr. Miller's attorney, had  
 10 already reached an agreement Mr. Miller wouldn't even be  
 11 testifying before the grand jury.

12 So, the specific reason for any contact was  
 13 totally <sup>S</sup>asuated by his response, <sup>✓</sup>and then raised a couple  
 14 of other points, <sup>✓</sup>that I commented on which are in the  
 15 memorandum, and that ended it.

16 <sup>Marbist</sup>  
 17 Q Now, Mr. ~~Marbist~~ did mention to you that there  
 18 was a Central American aspect to this situation?

19 A Yes.

20 Q Will you elaborate on that?

21 A He mentioned there was supposedly an oil deal  
 22 in El Salvador and there is always, in dealing with inter-  
 23 national con men, there is always a pot at the end of the  
 24 rainbow. I said that is hogwash, we are not concerned  
 25 about Miller talking about that, so, pursue that, we have  
 no problems with that, my only concern is with the hostage

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m4

1 situation.

2 And then he brought up what about the hostage  
3 situation if we have to go to trial? I said we will have  
4 *at the time.* Hopefully we will be in a better  
5 position on the hostages by then.

6 After this was over, I informed CID that this  
7 wasn't a problem and later I don't remember exactly when,  
8 but I think it was within the next day or two told North  
9 that Miller wasn't going to be questioned about the hostage  
10 situation.

11 Q And in the final conversation with North, there  
12 was no discussion of anything to do with Central America?

13 A No.

14 Q Did you relate to Mr. *Harbist* ~~Harbist~~ information there  
15 was an oil deal in El Salvador involved?

16 A No., *this information was relayed to me by him.*

17 Q I want to go to something we talked about at the  
18 first deposition or first session of the deposition, that  
19 was the involvement of the Drug Enforcement Administration  
20 in an attempt to locate and/or rescue hostages in the  
21 Middle East.

22 I believe, correct me if I am wrong, that you  
23 said, to the best of your knowledge, Attorney General Meese  
24 was aware of the DEA involvement in this project only  
25 after the fact. That is what my notes reflect.

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m5

1

A Well, that is not quite accurate because I later,

2

I think when I was here last time that I was aware that

3

Mr. Lawn, the administrator of DEA, had gone to the Attorney

4

General on this issue.

5

Q I don't want to mislead you. My notes show that

6

you said that, to your knowledge, the Attorney General

7

was aware of the DEA involvement only after the fact, you

8

were aware that Director Lawn had indicated to Judge

9

Webster that Meese, the Attorney General, was aware in advance

10

of the involvement. I don't want to mislead, what I.

11

really want to follow up, what was the basis for your

12

understanding or your awareness of the Attorney General's

13

knowledge?

14

A I have none.

15

Q Did you ever discuss the matter with the Attorney

16

General?

17

A No, I did not.

18

That is the reason it is the way it is stated

19

back to me. It would surprise me if I said that. That

20

is a total assumption on my part because I later found out,

21

at least through hearsay, that Mr. Lawn indicated he had

22

discussed it with the Attorney General. Specifically I

23

never had any discussion with the Attorney General about it

24

whatsoever. I furnished you a copy of my memo confirming

25

my conversation with the Director on that, did I not?

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m<sup>5</sup>

1

MS. NAUGHTON: On Charlie Allen?

2

THE WITNESS: Yes, sir.

3

MS. NAUGHTON: Yes.

4

BY MR. McGOUGH:

5

Q Again jumping to another subject, I believe

6

you said, I don't want to hold you to the date, but, my

7

notes show on November 13, you believed that you were

8

outside of the door at ~~the Customs~~ <sup>NORTH'S</sup> office and that you

9

saw Mr. Rosenblatt of the Custom Service.

10

A Yes, sir.

11

Q Did you talk to him at that time?

12

A No, as I walked out of the office I said hi

13

Bill, how are you doing, shook his hand, that was it.

14

Q You didn't ask why you were there or why he was

15

there?

16

A No, that is not the way you do things. I certainly

17

wouldn't tell anybody why I was there and vice versa.

18

Q You may have answered this question, did you

19

discuss with Colonel North why Mr. Rosenblatt was there?

20

A Colonel North mentioned he was still concerned

21

just before I went out, that the Customs investigation

22

inadvertently might reveal the hostage initiative and that

23

he was meeting with a Customs official. Then I walked

24

out and Bill Rosenblatt <sup>was</sup> ~~is~~ there, so that is it.

25

Q Let's turn to the, really what we started off

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1 with today, that was the discussion of the Miami Neutrality  
 2 Act case, and in particular if you could pull those papers  
 3 out, I just had a few questions relating to them.

4 A I think you have exhausted my knowledge but I  
 5 guess we can try again.

6 Q Get your second wind here, how about that.

7 A Okay.

8 Q First my question, do you recall who the Deputy  
 9 Secretary of State was that Mr. Jensen supposedly got the  
 10 inquiry from?

11 A I believe it was, no, it was -- it was the  
 12 deputy at the time but I am not sure I don't recall his  
 13 name being mentioned.

14 Q In your conversation with Judge Jensen or in your  
 15 briefing to Judge Jensen, did he mention to you an  
 16 intention of briefing the NSC?

17 A I think he indicated he would be talking about *it*  
 18 ~~then~~ at the White House, but I don't remember him  
 19 specifically saying the NSC.

20 Q Did he say who at the White House?

21 A No.

22 Q Did he say why he would be talking to people at  
 23 the White House?

24 A He had indicated there was a very high level  
 25 of concern at the State Department and White House about

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m8

1 this threat and that they had made inquiries and that he  
2 wanted to be in a position to respond to their concern.

3 Q Now if you look at this, would be the memo from  
4 Mr. Klein to you.

5 A The note.

6 Q The handwritten note, yes, which was received  
7 in your office on what is the date on that?

8 A The original here.

9 Q Give me the copy.

10 A March 27.

11 Q Of '86, okay. March 27 of '86. The note  
12 reads does it not, this is from Mr. Klein, this is probably  
13 what North was talking about, this is the letter  
14 you were giving to Jensen to be discussed with the NSC.

15 A Yes.

16 Q Now, did you tell Mr. Klein that you had given  
17 Judge Jensen the memorandum quote "to be discussed with  
18 the NSC"?

19 Did you mention the NSC?

20 A My recollection is that I told him I  
21 needed a paper which is what I received, because the Deputy  
22 Attorney General was going to be briefing people at the  
23 White House on this problem.

24 I don't think I mentioned the NSC, and I don't  
25 recall certainly any particular name was mentioned. However,

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m9 1 in these areas, the NSC is normally the focal point, so,  
2 perhaps Mr. Klein simply assumed it was NSC or perhaps ✓  
3 I mentioned to him NSC, but I have no recollection of  
4 Mr. Jensen saying he was going to be briefing anyone at the  
5 NSC.

6 I do specifically recall him talking about the  
7 State Department and people at the White House. I don't  
8 recall him mentioning anyone in specific, John Poindexter,  
9 or Don Regan or anybody by name other than the Deputy  
10 Secretary of State.

11 Q Were you surprised that the memorandum found its-  
12 way into Colonel North's hand?

13 A I was a little antagonized because, not that he  
14 couldn't have the information, but it simply should have  
15 come from us.

16 Q You were aware at that time, were you not, of  
17 Colonel North's handling of the contras account?

18 A Well no, I was aware that he was, that he was, ...  
19 Yes and no, I was aware that the NSC had taken on certain ✓  
20 responsibilities because of the prohibition against the  
21 CIA. Otherwise, there was a Colonel North was speaking in ✓  
22 public that he was eliciting support for the contras. I had  
23 no idea that they were involved in any sort of covert  
24 operation or anything of that nature, so, I can't answer  
25 yes or no, I was aware of certain things and I was aware ✓

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m10

1 ~~of certain things~~ and I was aware that he was the focal  
 2 point within the NSC. He never discussed those issues with  
 3 me other than the cases or items that we have mentioned.

4 Q This was approximately the time, was it not,  
 5 when he was receiving threats or talking to you about his  
 6 possible threats and active measures?

7 A I am not sure, if you have got the other memo.

8 MS. NAUGHTON: That was when he was interviewed  
 9 in May.

10 THE WITNESS: It is two months later.

11 MS. NAUGHTON: June of '86.

12 BY MR. MCGOUGH:

13 Q If you look at page 3 of the memorandum that is  
 14 attached to the Klein note, in the first full paragraph,  
 15 it says developments have been promptly disseminated to  
 16 interested affected agencies, including the Departments of  
 17 Justice and State, CIA, ATF, [REDACTED] and  
 18 the Immigration and Naturalization Service.

19 It doesn't mention there either the White House  
 20 or NSC. Would you have viewed that when you received this  
 21 memorandum as an oversight, or should the White House and  
 22 NSC have routinely been put into that loop?

23 X The NSC should because the National Security Council  
 24 specifically Colonel North by executive order, NSDD,  
 25 was the coordinator for international terrorist matters

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m11

1 of the U.S. Government, meaning that anything relating to  
 2 international terrorism, <sup>Certainly</sup> assassination of  
 3 ambassadors by a terrorist group, would have ~~followed~~ <sup>fallen</sup>  
 4 ~~even~~ within that NSCDD and probably in fact they had received  
 5 it, I don't know for a fact but normally, there is a  
 6 block and you simply check the agencies, <sup>for</sup> which there is a  
 7 dissemination of the teletype information, <sup>Reams</sup> of it goes  
 8 out every day from us and to us, ~~on~~ <sup>on</sup> intelligence and  
 9 terrorist matters.

10 And let me point out, that <sup>in</sup> intelligence we hold  
 11 nothing <sup>back</sup> from the NSC that we provide to others if there is  
 12 an interest <sup>and</sup> ~~at~~ NSC is the central coordination point for  
 13 that type of information.

14 Q To your knowledge were any steps taken to put the  
 15 NSC into this loop as a formal matter?

16 A As a formal matter, as I said, I had certain  
 17 discussions at the OSG on the threat. I found out ~~that~~  
 18 from Mr. Jensen that he was briefing people there, so no,  
 19 I didn't take any steps to put them in because they in fact  
 20 were in the loop.

21 Q I mean here is a group of agencies that are being  
 22 promptly notified of developments, really is a matter  
 23 apparently of course by the investigators, by FBI. I  
 24 guess my question is if the NSC was properly a part of this  
 25 loop why steps weren't taken to add them to the list of

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m12 1 people who would be routinely and promptly notified? Was  
2 was there a kind of one-shot briefing?

3 A I don't know. They certainly were entitled and  
4 probably received after this information, but I didn't take  
5 any action that I can recall. But I would suspect if you  
6 would go and look at it, you will find other communications  
7 were in fact disseminated to the NSC on this particular  
8 matter.

9 Q I suspect that is just an assumption on your part.

10 A They were entitled to information of this type.

11 Q I understand that. My question is were they  
12 routinely provided with the information that was being  
13 provided to the other agencies after, say March 23?

14 A I cannot recall what happened as a result of the  
15 note from Mr. Klein. It is very possible that he instructed  
16 that they be included but I don't know.

17 Q You certainly took no steps to routinize the  
18 flow of information to the NSC regarding this case?

19 A No, let me point out that there was a great  
20 deal of contact at working levels on these types of matters  
21 so what I discuss doesn't mean that is the totality of what  
22 is going on within the intelligence community by any means.

23 Q I understand that, but I am curious why a Deputy  
24 Attorney General was dispatched to give a briefing to the  
25 NSC on a matter which rightfully should have been a matter

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m13

1 of just checking a box on a routing slip?

2 A Well, in the first place, the information that  
3 is sent out via the teletype or cable system would be  
4 fragmentary and would not have the type of information that  
5 was in the memorandum which was a summary of the investiga-  
6 tion and where we stand and where we are going. That is not  
7 the kind of information that would have been routinely  
8 disseminated.

9 The intelligence would have been routinely  
10 disseminated and that is the reason that someone drafted  
11 that although I certainly had no problems providing this,  
12 ~~other than~~ that it had been provided outside of our normal channel  
13 of dissemination.

14 I see nothing ominous, it just was a, just a sort  
15 of minor irritant.

16 MS. NAUGHTON: Had Deputy Jensen ever briefed  
17 the NSC on any other case, that you are aware of?

18 THE WITNESS: The Deputy Attorney General was the  
19 Department's member of the TWIG. If and when we reached the  
20 point of critical mass in terrorist situations, he would go  
21 to the TWIG <sup>for the Justice Dept.</sup> and I would go from the FBI. We were both  
22 members of the TWIG. I was the joint representative on the  
23 OSG. So I constantly briefed him on OSG. My two points of  
24 contact on OSG <sup>matters</sup> were the Director and Deputy. <sup>AG.</sup> So he was  
25 kept routinely informed of OSG activities that were of

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m14 1 interest or he should have been advised of. His being  
 2 in that loop was appropriate. I don't know I can sit here  
 3 and cite for you incidents in which he would have gone over  
 4 and briefed people at the NSC or the White House, but  
 5 it certainly wouldn't ~~probably~~ be unusual and he would  
 6 certainly be asked about these <sup>ITEMS</sup> if we were attending <sup>a</sup> cabinet  
 7 meetings or attending an NSP <sup>meeting</sup> on behalf of the  
 8 Attorney General.

9 MS. NAUGHTON: To your knowledge had he ever  
 10 briefed anyone at NSC regarding a criminal investigation  
 11 other than this occasion?

12 THE WITNESS: I have no specific knowledge of that.

13 BY MR. MCGOUGH:

14 Q Did you ever have any discussions with Colonel  
 15 North about the individuals in this case, substantively  
 16 about this case, in particular about the individuals whose  
 17 names crop up in the memo?

18 A No, just the fact there was a great deal of  
 19 concern, that they thought that the threat to Ambassador  
 20 Tambs was of paramount importance to the stability of the  
 21 region and obviously to U.S. policy and hoped we were doing  
 22 everything we could to resolve that. That was sort of  
 23 a constant thing but never was there discussion of the  
 24 specific individual. I wouldn't have recognized the  
 25 name anyway at the time, so, no.

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m15

1 Q To your knowledge was Colonel North ever inter-  
2 viewed by FBI or the Bureau on the allegations of the  
3 individuals specified?

4 A I believe he was interviewed by the Miami office  
5 at some point. I don't recall when or I didn't see the  
6 results of it, but I think he in fact was interviewed  
7 at one point by Miami agents.

8 Just his name had come up on this piece of paper,  
9 so I think yes, he was interviewed at some point in time.

10 Q When did that piece of paper first come to your  
11 attention?

12 By this piece of paper, I assume we are referring  
13 to a chart.

14 A A chart with names on it.

15 I don't think it did until the April '87 note.  
16 We would have to go back and review the file. I have no  
17 specific recollection of it before this note that I showed  
18 you. Although it is possible that it was before that  
19 but --

20 Q Would have that been, would the reference to that  
21 piece of paper been your first information that Colonel  
22 North's name had come up in that particular investigation?  
23 I guess what I am trying to do is fix, if you can, if we  
24 can, the first time you were aware that Colonel North's  
25 name has arisen in this investigation.

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m15

1 A I probably saw some newspaper clippings when there  
2 was a flurry of publicity in Miami which I think would  
3 have been earlier than this, probably back in mid-'86  
4 sometime. I don't recall ever seeing any official memoranda  
5 or any official communications in that regard.

6 I don't recall receiving any notice that Colonel  
7 North was in fact interviewed, although I believe in  
8 preparation for Director Webster's testimony that came out  
9 that FBI agents had interviewed Colonel North on that  
10 particular situation.

11 Q So are you saying by mid-'86 you would have been  
12 aware of that?

13 A I think I probably --

14 Q There were allegations.

15 A Not allegations, ~~his~~ his name had come up in conjunc-  
16 tion with it, either that civil suit down there or the  
17 general issue of the contras and support to the contras in  
18 opposition to the contras and so forth. But, I have no  
19 recollection of any official communications or any type of  
20 documentation. Of course I also knew that he was going  
21 out on the public stump and making presentations and  
22 speeches about that, so that in and of itself carried no  
23 special connotation.

24 Q I believe you said that Colonel North made two or  
25 three inquiries about the case, about this case, to you in

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m17 1 particular, focusing on the threat to Ambassador Tambs  
2 and the zeal with which the FBI was pursuing.

3 A I don't recall the number. He certainly mentioned  
4 it to me on at least two occasions, perhaps three. It  
5 was within a fairly short period of time and it was always  
6 in conjunction with the threat, the threat on the Ambassador.  
7 He didn't talk about any of the individuals or the other  
8 aspects of that case.

9 Q He did not discuss the Neutrality Act aspects?

10 A No.

11 Q I believe you referred to a memorandum prepared  
12 by Mr. Clarke for the Director, dated April 7, 1987; is that  
13 right?

14 A April 8.

15 Q April 8, '87, that was in preparation for the  
16 Director's confirmation hearing, was it not?

17 A I am not sure it was. Perhaps I think it was  
18 generated on the basis of this article in Village Voice  
19 where they talk about the headline is, quote, "Poindexter  
20 Had Meese Kill Probe".

21 Q When did you first see that memo?

22 A It came to my office on April 9 of '87.

23 Q Do you recall reading it at or about that time?

24 A Normally I would see these notes within 24 hours  
25 but I don't --

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m18 1 Q When if ever did you first bring Colonel North's  
2 contacts with you regarding this case to the attention of  
3 Mr. Clark or Director Webster?

4 A His interests in the assassination --

5 Q Well, those were I understand those were the  
6 only reasons for his contact.

7 A Yes, I am sure it was contemporaneous to the  
8 situation. I had sent to the Director the memoranda of  
9 March 20 of '86, which outlined the information that had  
10 gone to the Department. I don't know that I specifically  
11 mentioned to the Director that Colonel North was interested  
12 in the assassination plot. That is rather obvious.

13 Certainly, CID knew of it because they were  
14 preparing all of the material, we were the ones in direct  
15 contact with all of the various agencies.

16 Q CID knew that?

17 A Knew of the interests on the part of the State  
18 Department, the Deputy, White House and so forth.

19 Q But my question really is more specific than that.  
20 Did you alert CID or the Director to Colonel North's  
21 inquiries?

22 A This note is in response to an inquiry as to  
23 how North obtained this particular memoranda which is about  
24 this case. I sent that down contemporaneous to the  
25 memoranda. It came back to me March 27. So, at least

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m19 1 at that point, I had mentioned to the Terrorist Section  
2 that Colonel North had raised this issue with me.

3 Q What I am trying to put together here, and it  
4 relates back to the article on the memo of April 8, by  
5 April 8 or 9, '87, you were aware that there were  
6 allegations that Admiral Poindexter had attempted to inter-  
7 vene in this investigation.

8 A Let me point out by this time there was independent  
9 counsel, I had been recused from the case or recused  
10 myself from the case back in November '86, so my involvement  
11 was strictly a matter of reading for information. ~~I had~~  
12 ~~Not~~ only did I have no specific involvement, I had no  
13 basis for involvement.

14 So, this was strictly a matter of information for  
15 me at the time because there was in fact an independent  
16 counsel, and I was recused and the matter was being  
17 pursued by the Criminal Investigation Division and the  
18 Director was being notified.

19 My reading of that was strictly for ~~informational~~  
20 information purposes.

21 Q The answer is then you really did not go to  
22 the Director or go to Mr. Clarke and say Colonel North called  
23 me on this case.

24 A Yes, this Mr. Klein works directly for Mr. Clarke.  
25 When Colonel North asked me about this, I asked them about

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m20

1 this, that is March of '86.

2 Q But more than a year went by, am I correct, until  
3 April of '87, then Mr. Clarke was advising the Director.

4 A The Director also had this.

5 Q When you say this, you are referring to the memo,  
6 the memo of March 20?

7 A Yes, sir.

8 Q The Director would not have Mr. Klein's note  
9 to you?

10 A That is correct.

11 Q If you look at Mr. Clarke's memo of April 8, I  
12 don't believe you will see in there a reference to  
13 contacts by Colonel North to you.

14 A Well --

15 Q Regarding the case.

16 A The Director was aware that Colonel North was  
17 in contact with me on a regular basis, we had regular  
18 briefings. It is very possible that I mentioned this  
19 to him. There is no reason, since Colonel North was simply  
20 saying, in essence, I hope you all do a good job as quickly  
21 as you can. I am in charge of investigations for FBI. I  
22 don't tell the Director everything I know and certainly  
23 no one in the FBI tells me everything they do. For me to  
24 say, gentlemen, the people in the White House hope you  
25 solve this case, would be rather extraordinary. If the

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m21

<sup>asked</sup>  
Director said, "Has anybody exhibited any interest?" I would say I got a call from Ollie or John Poindexter wanting to know, <sup>But</sup> you don't go to the Director every time somebody says, I hope you can get to the bottom of this.

Now if he had come in and said we want you to go out and interview x, y and z, I say would -- that is not what we do and I certainly would have advised him, but, I have no specific recollection of telling him that Ollie North was concerned about this. I may well have, but that was certainly not extraordinary, in fact it was rather routine.

Q This is going to be a little bit redundant but am I correct that you indicated that when Colonel North spoke to you about this Southern Air Transport investigation that at some point, I believe it was November 14, I certainly wouldn't hold you to that date, he mentioned or indicated to you that General Secord had raised a concern about the investigation?

A Yes, that was the last occasion which was one I referred to Mr. Trott, he called me. I will find the date here, it is --

Q I think we have already established the date.  
In that conversation he did in fact mention General Secord.

A Yes, sir.

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106a

m22 1 Q As being involved in this?

2 A Let me be specific, he mentioned General Secord  
3 and contacted him, expressing concern that the Customs  
4 subpoena would reveal the involvement of Southern Air  
5 Transport. He did not tell me Secord was running the  
6 operation.

7 Q I understand, my next question was going to  
8 be what if anything did he tell you about Secord's  
9 involvement --

10 A He didn't.

11 Q -- in the situation?

12 A He did not.

13 Q Was that the first indication you had that General  
14 Secord was involved in this Iran Initiative?

15 A Yes, sir.

16 Q And you did assume from that that General Secord  
17 had some role in the Iran Initiative?

18 A Yes, sir.

19 Q At that time you were also aware, were you not,  
20 that General Secord had been involved in the Christic  
21 Institute lawsuit?

22 A The information that had been obtained from  
23 Mr. Robinette had indicated that, yes.

24 Q That would have been in July or so of 1986, is  
25 that right?

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1

A I believe that is correct.

2

3

4

5

Q And at that time I believe you said that when Secord's name popped up in relationship to the Christic Institute and Robinette, that that rang a bell with you because of the EATSCO investigation?

6

A Yes, sir.

7

8

9

Q When Secord's name again popped up in relationship to the Iran Initiative, did that same bell ring in your head about EATSCO?

10

A Yes, sir, certainly did.

11

12

13

14

15

16

Q And did any bell ring in your head about the Christic Institute lawsuit or Mr. Robinette's statement? In other words, did you put General Secord into, associate General Secord's name at that time with the resupply activities or alleged resupply. Let me strike that, that is wrong.

17

18

19

20

21

Did you make any connection between Iran initiative and the Christic lawsuit via General Secord?

22

23

24

25

A No, I did not.

Q Did you recall Robinette's prior references to Secord at that time?

A I recall the EATSCO case. I don't recall, I discussed with both Steve Trott and Judge Webster and Secord was involved in it.

Q You say you discussed with them. When would that

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m24

1 discussion have taken place?

2 A I discussed with Steve when I advised him that  
3 Ollie would be calling him.

4 Q You mentioned Secord to Steve Trott?

5 A Yes, sir, I said the information came from  
6 Secord, but --

7 Q Let's focus on that conversation for a second.  
8 Did you also mention to Steve Trott, that Secord's name  
9 had arisen in connection with Robinette and the Christic  
10 Institute?

11 A No. Mr. Trott was fully aware of General  
12 Secord because he had to rule on the EATSCO case.

13 Q You don't know whether he was aware of Secord's  
14 role in the Christic Institute?

15 A Well, Secord's role in the Christic Institute  
16 was a matter of civil suit. It was not an FBI investigation.

17 Civil Suits <sup>could</sup> ~~are~~ brought for various frivolous  
18 reasons. That is not something we would base a judgment on  
19 whether somebody has any sort of liability, culpability.  
20 That particular thing was not an issue with me.

21 What was an issue with me was his involvement with  
22 EATSCO and this brought out to me that there were people  
23 outside of government dealing with this issue which I was  
24 not aware of at that time either. To my knowledge this  
25 had been a CIA covert operation, I had no idea there were

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m25

1 independent contractors involved.

2 I told the Director two things. I told him that  
3 one, the initiative was continuing and two, that Secord was  
4 involved and that was a surprise to both of us.

5 To Trott I didn't mention anything. *It was a very*  
6 short phone call. I simply told him *about the* related to phone call *from*  
7 Ollie, *that* and Ollie would be calling him and that General  
8 Secord had raised with Ollie this issue on the Customs  
9 subpoena. So there was not any in-depth discussion of the  
10 relationship of Secord to any other activities, EATSCO  
11 or to North or anything of that nature.

12 Q I guess the investigation being conducted arose  
13 out of the crash of the airplane that allegedly was  
14 involved in resupplying the Nicaraguans.

15 A We knew in fact it was not a Southern Air Transport  
16 airplane and that in fact it had not taken off from Miami.

17 Q I understand you had a lot of facts, at least the  
18 investigation itself was into an alleged resupply operation  
19 of Democratic Resistance.

20 Colonel North gets on the phone to you, and in  
21 the context of this Southern Air Transport operation men-  
22 tioned for the second time in about three months, or four  
23 months, General Secord as being somehow connected or  
24 related to SAT and the Iranian operation.

25 A No, no, North didn't mention to me for the second

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m26

1 time about Secord being connected to the SAT. The first  
 2 time I ever heard of Secord and SAT was the phone call in  
 3 November.

4 Q You are right about that, it was just for the  
 5 second time in about four months North mentioned Secord  
 6 to you.

7 A I don't remember, I think <sup>if</sup> you go back and review,  
 8 I don't remember if North mentions Secord. Secord's name  
 9 came in next as a result of information from Robinette, it  
 10 is possible he did but I have no specific recollection that  
 11 he mentioned Secord.

12 Q For the second time in four months, Secord's name  
 13 has <sup>floated</sup> ~~noted~~ to the surface of the lake, once in connection  
 14 with Robinette-Terrell and the Christic Institute lawsuit,  
 15 once in connection with the Iranian initiative and Southern  
 16 Air Transport, Southern Air Transport, am I right so far?

17 A Yes, sir.

18 Q Southern Air Transport is the entity that the  
 19 FBI is investigating to determine if there is a link  
 20 between Southern Air Transport and the airplane?

21 A That is incorrect. We were investigating the  
 22 C-123 that went down in Honduras.

23 Q The <sup>C</sup>123 was involved in the alleged contra  
 24 resupply efforts.

25 A Southern Air Transport was involved in that

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m27 1 investigation, but we were not investigating Southern  
2 Air Transport.

3 Q I understand that.

4 A Because we had determined that in fact the  
5 air crash was not a Southern Air Transport airplane.  
6 Southern had done maintenance on the aircraft that had  
7 departed from El Salvador when it crashed in Nicaragua.  
8 So you can quite imagine that easy interpretation that  
9 there was some sort of nefarious connection between the  
10 Southern Air Transport and the CX-123 that crashed and the  
11 fact that Southern Air Transport was providing some sort of  
12 support for the Iran initiative. This doesn't quite flow  
13 that easy.

14 Q I will grant you that.

15 You had Secord's name come to the surface with  
16 Robinette, Terrell, and the Christic Institute lawsuit.  
17 You had Secord's name being mentioned in connection with  
18 SAT, the Iran initiative. You had the plane that had  
19 gone down on the alleged contra resupply effort, tracing  
20 back at some points or at least records tying the plane at  
21 times in the past to Southern Air Transport. Did it  
22 seem to you that Secord's involvement with Southern Air  
23 Transport might be something in the neighborhood of a lead  
24 that might be important to your investigators in looking  
25 into the Hasenfus crash?

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1 A The Secord connection was of concern to me because  
2 his reputation was one of an arms dealer. He was a civilian,  
3 he was no longer in the military.

4 This was the first to my knowledge of the -- any  
5 involvement outside.

6 Frankly, the Christic Institute suit was not  
7 something that I even focused on. His involvement with  
8 Southern Air Transport was of course of interest and  
9 concern because of that prior knowledge, so, I can't go back  
10 and say because of Christic Institute I can simply say  
11 of EATSCO and the outside involvement of a non-CIA or  
12 government person, in the Southern Air Transport involvement  
13 with the Iran initiative, was of concern but no, I did not  
14 make the connection with the Christic Institute suit that --

15 Q Let me ask you more directly, did you make a  
16 connection between General Secord and the plane that went  
17 down with Hasenfus on board?

18 A At that time I knew that Southern Air Transport  
19 was in fact not the owner or proprietor of that aircraft  
20 and that the plane had not left from U.S. soil. North did  
21 not tell me that Secord was involved with that 123. He ✓  
22 indicated that Secord had called about concern from  
23 Southern Air Transport because Southern Air Transport had  
24 been involved in the Iran initiative.

25 Q But my question still is, did you make that

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connection between Secord and the 123?

A No. The connection specifically, no. The concern about the General's involvement, yes.

Q But the General's involvement in what, in the Iran initiative or the contra resupply?

A In the Iran initiative.

Q Did you make any connection at all between Secord and the contra resupply efforts?

A No.

Q Even though Secord was --

A I knew of no contra resupply initiative. Again, you are sort of hindsight <sup>what we didn't know</sup> as to ~~us~~ we knew there was a contra resupply initiative, what we ~~had~~ <sup>had</sup> 123 aircraft had left El Salvador, and had crashed in Nicaragua. We knew of no resupply out of the United States. We knew of no specific <sup>violations</sup> ~~idea~~ of ~~neutrality~~ at the time, neutrality violations, although we were investigating the possibility.

Q But you were aware that Hasenfus was an American.

A Yes, sir.

Q You were aware that he was making allegations this was more than a month after his fall from the sky, you were aware he was making allegations of U.S. Government involvement with the resupply effort.

A Yes. But from El Salvador.

Q And yet you didn't think it worthy Secord's name

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1 in that connection, even as an arms person you knew  
2 was an arms dealer, you didn't feel it was a lead that ought  
3 to be passed on to your investigators who were investigating  
4 the 123 side of the equation?

5 A I couldn't at the time.

6 Q Why not?

7 A Because no one else knew of the Iran initiative  
8 at the time. Only the Director, the Attorney General and  
9 Mr. Trott.

10 Q Did you make a conscious decision not to relay  
11 that information?

12 A No.

13 Q Did it not occur to you that Secord's name might  
14 be helpful to the people who are doing the 123 investigation  
15 or did you make a conscious decision that --

16 A No, I couldn't discuss it with anybody so the  
17 fact that Secord's name had come up in this was discussed  
18 with the people I could discuss it with. It was not  
19 discussed with people I could not discuss it with at the  
20 time.

21 His involvement when the matter broke, was  
22 fully and thoroughly examined after I was out of the  
23 investigation.

24 Q One little point of clarification. This I  
25 think goes back to the -- where you were testifying perhaps

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m31 1 a little bit confusion about dates, on the Attorney General's  
2 fact-finding weekend.

3 I believe you said that you talked to Director  
4 Webster, who told you he talked to the Attorney General  
5 on Friday before about the possibility of using FBI. When  
6 did you first talk to Director Webster about the Attorney  
7 General's fact-finding effort, keeping in mind that the  
8 President's or Attorney General's press conference  
9 was at noon on Tuesday the 25th.

10 A Right.

11 Q So you had no awareness, were not aware of the  
12 Attorney General's fact-finding effort prior to the press  
13 conference on Tuesday.

14 A Not from the Director. I don't know if there  
15 was any news comments on that or not. I can't recall any.

16 Q The Director, your meeting with the Director  
17 in that regard was on the 25th?

18 A That is correct.

19 Q After the news conference.

20 A Yes.

21 The Director had gone over right after the news  
22 conference to see the AG. I met with him that afternoon  
23 after he got back.

24 By the way, I will have to go back and check, my  
25 recollection is that I did bring Secord's involvement with

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m32 1 Southern Air Transport to the attention of CID after this  
 2 became public, so, I will have to go back and verify the  
 3 dates of that but I did discuss it with Mr. Clarke and  
 4 Mr. Pomerantz at that time, and so it was not a matter of  
 5 concealing it, it was simply a matter of being able to convey  
 6 it except on a limited basis at the time.

7 Q I have nothing further.

8 MR. GENZMAN: I have nothing. Thank you for  
 9 your time.

10 MS. NAUGHTON: I have one other question on the  
 11 ~~Corveil~~ <sup>CORVO</sup> investigation. The Miami Neutrality Act investiga-  
 12 tion. Do you know how many times did the FBI agents go to  
 13 Costa Rica?

14 THE WITNESS: Only once I am aware of.

15 MR. NAUGHTON: Are you aware of any other trips to  
 16 Central America?

17 THE WITNESS: It is possibly I think that our  
 18 legal attache in Panama may have gone over there on a  
 19 couple of follow-up occasions to try to obtain documents  
 20 or information but I don't believe, at least I have no  
 21 knowledge that Miami agents went more than once.

22 MS. NAUGHTON: Thank you.

23 (Whereupon, at 5:05 p.m., the deposition was  
 24 concluded.)  
 25

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REYER, BILLY RAY. See CHAPMAN, JOHN R.

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1 RPTS THOMAS

2 DCMM DOMOCK

4 DEPOSITION OF WILLIAM BRADFORD

5 REYNOLDS

7 Thursday, August 27, 1987

9 House of Representatives,

10 Select Committee <sup>to</sup> ~~on~~ Investigate

11 Covert Arms Transactions with Iran,

12 Washington, D.C.

13  
 14 The select committee met, pursuant to call, at 1:30 p.m.,  
 15 in Room 2203, Rayburn House Office Building, Pamela Naughton  
 16 [staff counsel to the House Select Committee] presiding.

17 Present: On behalf of the House Select Committee: Pamela  
 18 Naughton, Staff Counsel; Richard J. Leon, Deputy Minority  
 19 Counsel; and Robert W. Genzman, Associate Minority Counsel.

20 On behalf of the Senate Select Committee: Thomas McGough,  
 21 Associate Counsel.

22 On behalf of the Witness: John R. Bolton, Assistant  
 23 Attorney General, Office of Legislative and  
 24 Intergovernmental Affairs.

Partially Declassified/Released on 1-5-88  
 under provisions of E.O. 12356  
 by N. Menan, National Security Council

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25 Whereupon,

26 WILLIAM BRADFORD REYNOLDS

27 was called for as a witness and, after being duly sworn, was  
 28 examined and testified as follows:

29 MS. NAUGHTON: Let the record reflect, my name is  
 30 Pamela Naughton, Staff Counsel to the House Select Committee  
 31 to Investigate Covert Arms Transactions With Iran. I would  
 32 like the people around the room to please introduce  
 33 themselves for the record.

34 MR. McGOUGH: I am Tom McGough, Associate Counsel to  
 35 the Senate Select Committee.

36 MR. LEON: Dick Leon, Deputy Chief Minority Counsel.

37 MR. GENZMAN: Robert W. Genzman, Associate Minority  
 38 Counsel for the House Committee.

39 MR. BOLTON: John Bolton, Justice Department.

40 THE WITNESS: Brad Reynolds, deponent.

41 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

42 BY MS. NAUGHTON:

43 Q Could you give your full name?

44 A William Bradford Reynolds.

45 Q Mr. Reynolds, are you represented personally by  
 46 counsel today?

47 A Yes, I am.

48 Q And would that be Mr. Bolton?

49 A Yes, sir.

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50 . Q Do you specifically waive any conflicts regarding  
51 Mr. Bolton's representation? We will be asking questions  
52 about Mr. Bolton's participation in certain meetings that  
53 you attended.

54 . MR. BOLTON: Conflicts, if any.

55 . THE WITNESS: Sure, if there are any. I don't know  
56 of any.

57 . BY MS. NAUGHTON:

58 . Q All right, Mr. Reynolds, could you give us your  
59 professional experience, starting from when you graduated  
60 from law school?

61 . A I, after law school, went to the firm Sullivan and  
62 Cromwell in New York City, and was an associate there from  
63 1967 to mid-1970. I then joined the office of the Solicitor  
64 General in Washington, D.C., and was Assistant to the  
65 Solicitor General from 1970 to 1973.

66 . I then went into private practice with the law firm  
67 of Shaw, Pittman, Potts and Trowbridge here in Washington,  
68 D.C., and was a partner with that firm from 1973 to 1981; at  
69 which time I joined the Administration as the Assistant  
70 Attorney General for Civil Rights, and have been in that  
71 position from 1981 to the present.

72 . And in May of this year, also was appointed  
73 Counselor to the Attorney General.

74 . Q That was May of 1987?

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75 . A May of 1987.

76 . Q So, in November 1986, which would be the period of

77 time we will be concentrating on, your title was Assistant

78 Attorney General for the Civil Rights Division?

79 . A That is correct.

80 . Q During your period of time at Sullivan and Cronwell,

81 and your time with Shaw and Pittman, could you tell us what

82 your practice consisted of?

83 . A I guess generally, it is fair to say it was

84 commercial litigation practice dealing with a variety of

85 civil litigation matters that covered, I would say, a full

86 spectrum of just about every subject matter that one might.

87 . Q And can you give us an estimation of how many trials

88 you tried during your years in private practice?

89 . A Well, I guess with the administrative proceedings

90 and trial proceedings, it might be half a dozen. Eight.

91 Six or eight.

92 . Q How many of those would be administrative

93 proceedings?

94 . A Two or three.

95 . Q So, then, that leaves about four to six trials.

96 . A Yes.

97 . Q And were those trials in State courts or Federal?

98 . A Federal.

99 . Q All?

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100 . A I think so, yes.

101 . Q And did you try those with someone from the firm, or

102 were they solo trials?

103 . A Two solo and the other with people.

104 . Q Do you have any idea of the length of time, could

105 you give me an estimate of the range, in other words, were

106 these three-month trials or two-week trials?

107 . A Well, I think they, the two solos, were shorter than

108 weeks, they were then, the others were longer, but they

109 ranged from a couple--one went on forever--you mean including

110 the administrative?

111 . Q No, let's confine it right now to the Federal Court

112 trials?

113 . A A couple a month, in the range of one to two months.

114 . Q And, I take it then during the years in the

115 Solicitor General's Office you did not try any cases;

116 correct?

117 . A Not in the trial court.

118 . Q You argued some appeals.

119 . A Right.

120 . Q Do you have any idea roughly of how many?

121 . A I think that I had 11 Supreme Court arguments and

122 one or two Court of Appeals arguments.

123 . Q And, did all of those concern civil cases or were

124 they a combination of civil and criminal?

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125 . A I think they were, I want to say two criminal and  
126 the rest were civil. One or two criminal. I think it was  
127 two criminal.

128 . Q Did you specialize in an area or did you sort of  
129 take cases--

130 . A Well, what do you mean specialize? Throughout my  
131 practice or--

132 . Q No, I am talking about as Solicitor General.

133 . A We didn't have any specialty. It was more an  
134 assignment of cases as they came in the door, and it was  
135 rather random.

136 . Q Now, if we can get to your years in the Civil Rights  
137 Division.

138 . A Right.

139 . Q Can you tell us what, as Assistant Attorney General,  
140 your position consisted of?

141 . MR. BOLTON: What his duties are?

142 . THE WITNESS: A desk and a chair. What do you mean  
143 my duties consist of?

144 . BY MS. NAUGHTON:

145 . Q What do you do as Assistant Attorney General in the  
146 Civil Rights Division?

147 . MR. BOLTON: When you are not in depositions.

148 . THE WITNESS: Supervise all of the activities of the  
149 Division that are generally related to litigation at all

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150 | levels of trial and appeals.

151 | BY MS. NAUGHTON:

152 | Q Have you yourself tried any cases while you were  
153 | Assistant Attorney General of the Civil Rights Division?

154 | A At the trial level, no. I have argued some motions,  
155 | but that is not trying. I supervised a lot of the trial  
156 | work, but not actually going in and trying it.

157 | Q When you say you supervise, does that mean direct  
158 | line supervision or observing the trials, or does that mean  
159 | having meetings with the section chiefs and so forth?

160 | A Meet with the lawyers, with the section chiefs, work  
161 | on strategy of different cases, formulate different opinions  
162 | involved in some respects in some of the investigative  
163 | activity that goes on, work with the FBI in the criminal  
164 | matters that we are responsible for.

165 | Q Can you name some of the meetings that you have had  
166 | with the FBI regarding criminal matters?

167 | A No.

168 | MR. BOLTON: I caution the witness to the extent  
169 | there are matters involving ongoing investigations or 6(a)  
170 | materials or sensitivity to sources and their  
171 | identification, that our understanding with the two  
172 | committees is that you are not required to answer that if a  
173 | matter of closed investigation where 6(a) material or  
174 | sources would not be compromised, you can respond in general

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175 terms.

176 THE WITNESS: I can't, I don't have any specific  
177 recollection. There have been a large number of them. I  
178 don't have any specific recollection of particular cases. I  
179 meet with them on a regular basis, deal with the Criminal  
180 Division of the section on a criminal section of the  
181 division on a daily basis on a number of criminal matters  
182 that come up.

183 BY MS. NAUGHTON:

184 Q Have you ever tried a criminal case?

185 A No.

186 Q Have you ever personally done any Grand Jury work?

187 A No, when I was--no, when I was in law school, I  
188 worked for the U.S. Attorney's Office down in the Middle  
189 District of Tennessee, and largely worked in the criminal  
190 end of it, and assisted on some of the matters that they  
191 did, but I never went into a Grand Jury.

192 I have been in a Grand Jury, as a matter of fact,  
193 but not where I was--

194 Q That was as a witness.

195 A No, that was where I was in my capacity as head of  
196 the Division. In one of the criminal cases that was  
197 handled, I went with the lawyer into the Grand Jury.

198 Q Did you ask any questions?

199 A No.

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200 . Q As a law clerk, I take it you were not admitted to  
201 the bar, so you could not practice in court?

202 . A That is right, I wanted to add that to be complete,  
203 I was not trying to puff my role by any stretch. It  
204 convinced me I didn't want to do criminal work.

205 . Q I am speaking specifically up to the period of  
206 November 1986, my next series of questions, okay?

207 . A Yes.

208 . Q Aside from being Assistant Attorney General for the  
209 Civil Rights Division, did you have any other duties within  
210 the Department of Justice?

211 . A Just, well, yes, well, I was the Department of  
212 Justice representative on some outside boards or committees,  
213 and then I had a general advisory role for the Attorney  
214 General in certain capacities, and some internal groups that  
215 he set up that I worked on.

216 . Q Do you have anything to add after consulting with  
217 counsel?

218 . A No.

219 . Q Could you tell us what the internal groups were that  
220 you served on as the Attorney General's representative?

221 . A Well, there is a strategic planning board that I  
222 chair that deals with strategy questions at the policy level  
223 in the Department.

224 . Q Could you give us an idea what those issues are?

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225 . A Well, they range. There are a variety of issues and  
226 they are all related to difficult policy decisions on things  
227 that go from one end of the spectrum to the other within the  
228 Department and within the Administration.

229 . Q Well, they would concern <sup>m</sup>them both, let's say, civil  
230 and criminal matters in the litigation area?

231 . A Yes.

232 . Q Would they concern the various components of  
233 justice?

234 . A All the components. In fact, I think all of the  
235 Assistant Attorneys General are represented on the board, I  
236 believe, or just about all of them. Most of them are.

237 . Q I guess I am still a little confused, is this a  
238 management organization or is it one that determines policy  
239 of the Department?

240 . A It is one that helps to shape Department policy in a  
241 whole range of areas.

242 . Q Could you just give us one example so we have  
243 something for the record?

244 . MR. BOLTON: To the extent it doesn't involve some  
245 internal executive deliberations ongoing, I think it is safe  
246 to say, as Mr. Reynolds has testified, it covers a wide  
247 range. I am not sure, so it doesn't deal with Iran-contras.  
248 it is certainly something open to question.

249 . MS. NAUGHTON: I will repeat my question.

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250 . BY MS. NAUGHTON:

251 . Q Can you give us an example that does not involve, if  
252 I hear executive privilege being asserted?

253 . MR. BOLTON: That is not being said. This is just a  
254 fishing expedition. As I informed your office earlier, Mr.  
255 Reynolds and I both have other commitments that are going to  
256 require us to leave at 5.

257 . If you would like to get into the subject matter of  
258 the deposition, we would be more than happy to answer  
259 questions.

260 . MS. NAUGHTON: Mr. Bolton, as I informed your  
261 office, we would be happy to accommodate your schedules.  
262 That would mean, of course, Mr. Bolton, Mr. Reynolds would  
263 be subject to recall if we don't finish.

264 . MR. BOLTON: We understand.

265 . THE WITNESS: It dealt with a whole range of issues  
266 relating to the drug policy initiative, relating to certain  
267 civil rights policies of the Administration, relating to the  
268 whole question of policy initiatives, the whole immigration  
269 set of issues.

270 . Really, virtually every policy issue that we address  
271 is one that the Strategic Planning Board looks at and makes  
272 recommendations to the Attorney General in terms of how to  
273 shape the policy, how to advance it, et cetera.

274 . BY MS. NAUGHTON:

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275 . Q Aside from the Strategic Planning Board, are there  
276 any other duties up to November of 1986 that you had within  
277 the Department of Justice other than duties as Assistant  
278 Attorney General of the Civil Rights Division?

279 . A Well, I guess I am not sure what you mean by duties.  
280 The Attorney General tasks me from time to time with a  
281 variety of different things that he wanted me to look into,  
282 and most of them, many of them related to specific  
283 litigative matters, some specific litigative matters, some  
284 domestic policy, general, and some internal management  
285 matters.

286 . So, yes, they were all duties that I was asked to  
287 perform and did.

288 . Q Those were more or less ad hoc, then?

289 . A Yes.

290 . Q Basis?

291 . A Yes.

292 . Q Now, specifically turning your attention to the  
293 Iranian arms sales, that is those that were part of the U.S.-  
294 Iran initiative--

295 . A I bought nothing.

296 . Q That is on the record. Now, were you aware of the  
297 Iran initiative at any time prior to November of '86?

298 . A No. Not that I recall.

299 . Q The Attorney General testified that he attended a

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300 couple of meetings where the January finding was discussed  
301 before the Iran initiative was implemented by the  
302 Administration. Were you aware of that finding or that the  
303 Attorney General had participated in such discussions?  
304 . MR. BOLTON: At the time?  
305 . MS. NAUGHTON: Before. If you would let me finish  
306 my question.  
307 . BY MS. NAUGHTON:  
308 . Q Before November of '86?  
309 . A No.  
310 . Q Did you ever discuss before November of '86 the Iran  
311 initiative with Mr. Jensen?  
312 . A The answer to that is no, not that I recall. But  
313 let me ask you just so you will clarify, could you explain  
314 to me what you have reference to when you say the Iran  
315 initiative?  
316 . Q Okay, the Iran initiative was actually begun in the  
317 summer of '85 between the Israelis--  
318 . MR. BOLTON: I think that is stretching the  
319 characterization. If you are trying to do that to maintain  
320 a point, I suppose the record will reflect that, but I  
321 really think you are going pretty far afield here.  
322 . BY MS. NAUGHTON:  
323 . Q Mr. Reynolds, I was trying to answer your question.  
324 I am trying to define for you, pursuant to your request,

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325 what I feel the Iran initiative is when I asked my question.

326 . The Iran initiative, as far as we know it, began in  
327 the summer of '85, when Mr. Khashoggi wrote a letter to the  
328 National Security Council, suggesting that there were  
329 moderate elements in Iran that could be reached.

330 . Mr. McFarlane, through Mr. Ledeen, then contacted  
331 various representatives through the Israeli and Iranian  
332 connections and began discussions. There are two shipments  
333 from Israel in August of '85, 508 TOM missiles and again in  
334 November of '85, 18 Hawk missiles.

335 . From there on, the United States began shipping  
336 directly beginning in February of '86. Now, that is what I  
337 mean by the Iranian initiative. I am asking if you were  
338 aware of that prior to November of '86?

339 . A No, not that I recall.

340 . Q Now, once the Iranian initiative became public, in  
341 the first week of November 1986--

342 . MR. BOLTON: The whole Iran initiative as you have  
343 just defined it?

344 . BY MS. NAUGHTON:

345 . Q Once the Iran initiative became public in November  
346 1986, Mr. Reynolds, what is the first contact that you  
347 recall having with any of the legal issues that may have  
348 been posed by the initiative?

349 . A Probably still mid-November.

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350 . Q Do you recall what that involvement was?  
351 . A Well, I wouldn't call it involved. I believe you  
352 asked what my initial contact was.  
353 . Q What was that?  
354 . A My contact was simply that there were discussions at  
355 some point in November that were precipitated by news  
356 articles that related to what this activity was and what  
357 might be the legal implications, what might be implicated in  
358 a legal sense.  
359 . Q Okay.  
360 . A And that my first recollection of a contact with the  
361 legal implications of the Iran initiative were those kinds  
362 of discussions.  
363 . Q Were these discussions that occurred at the  
364 Department of Justice?  
365 . A Yes, in the halls and in rooms and in meetings.  
366 . Q Let's concentrate on then the first contact you  
367 remember having. Was your first discussion about the legal  
368 issues with the Attorney General?  
369 . A I don't really recall what my first one was. I just  
370 recall there were discussions around mid-November that were  
371 raised by news articles that had referenced this. When did  
372 the President, November 18--  
373 . MR. BOLTON: The speech was November 13.  
374 . THE WITNESS: So, it was around that time, and I

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375 | don't have a specific recollection of any particular  
376 | discussion, but I do have a recollection that that was  
377 | around the time that people started talking about it.  
378 |           BY MS. NAUGHTON:  
379 |     Q     Did you have any part in formulating or drafting the  
380 | President's speech of the 13th?  
381 |     A     No, I did not.  
382 |     Q     Do you know whether or not the Attorney General did?  
383 |     A     I don't know.  
384 |     Q     Now, Mr. Cooper testified that on November 7, the  
385 | Attorney General tasked him to begin to look into the legal  
386 | issues surrounding the arms sales. Were you aware that the  
387 | Attorney General had tasked Mr. Cooper to do that?  
388 |     A     I was not aware on November 7th.  
389 |     Q     Did you become aware of that eventually?  
390 |     A     I did.  
391 |     Q     Can you tell us when and how?  
392 |     A     Again, sometime around mid-November when the  
393 | Attorney General spoke to myself and Arnie Burns, and I  
394 | think Chuck Cooper about it.  
395 |     Q     Was this a meeting in the Attorney General's office?  
396 |     A     Yes, Steve Trott I think was there, too.  
397 |     Q     Do you have any idea when the date of this meeting  
398 | was?  
399 |     A     No.

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400 . Q Was it on your calendar?

401 . A No. Well, not as such. I mean, it was on the

402 calendar in the sense that the Attorney General has a senior

403 management meeting every morning at 8:10 that he is in town,

404 and that is reflected on my calendar. It was in one of

405 those meetings.

406 . Q This is a senior management meeting. Was this the

407 8:30 meeting?

408 . A 8:10 meeting.

409 . Q Can you give us an idea of the substance of the

410 discussion at this meeting?

411 . A Yes, the Attorney General advised that he had asked

412 Chuck Cooper to look into some of the legal ramifications

413 that related to the news of the accounts of the Iran

414 initiative. Chuck had been given that responsibility.

415 . Q Was there any discussion on the part of Mr. Trott

416 regarding this?

417 . A Just that it was a good idea. We all concurred it

418 was a good idea.

419 . Q Was there any further discussion about the Iran arms

420 shipment?

421 . A I don't--again, I don't recall specific discussions

422 at specific meetings. If you are asking whether that

423 information was followed on by a long discussion, the answer

424 is no. My first recollection of knowing Chuck had been

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425 asked to take a look at some of the legal questions that  
426 were being raised.

427 . Q Prior to November 20, did you discuss with Mr.  
428 Cooper his research in that area?

429 . A No, November 20 was what day?

430 . Q A Thursday.

431 . A I don't recall any discussions that related to legal  
432 research.

433 . Q Now, on the 20th, the Attorney General, Mr. Cooper  
434 testified, they attended a meeting, concerning where the  
435 participants went over the draft of DCI Casey's testimony to  
436 be given the next day before Congress. Were you aware of  
437 that meeting?

438 . A Yes.

439 . Q Was there any discussion in the Department of  
440 Justice concerning that meeting before it took place?

441 . A I don't know.

442 . Q Can you tell me how you were aware to have a  
443 meeting?

444 . A Because I was advised that they were going to go to  
445 that meeting.

446 . Q When were you advised of that?

447 . A Sometime before they went.

448 . Q Would it have been the same day?

449 . A Yes.

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450 . Q And, who told you that they were going to go to the  
451 meeting?

452 . A I don't specifically recall.

453 . Q Was it either the Attorney General or Mr. Cooper or  
454 was it someone else?

455 . A It may have been John Richardson, or it may have  
456 been Cooper. I don't think it was the Attorney General.

457 . Q And after the meeting, on Thursday, the 20th, the  
458 records indicate the meeting took place somewhere between  
459 1:30 and 3:30. Did you see the Attorney General that day  
460 after the meeting on the 30th?

461 . A No, I don't believe he came back to the Department.  
462 I think he went straight to Andrews Air Force Base and  
463 jumped on a plane and went to West Point.

464 . Q How do you know that?

465 . A Well, he testified to it, and everybody else who has  
466 been around has testified to it, so his calendar shows it,  
467 and it seems to be an established fact.

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469 . Q Did you meet with Mr. Cooper after he got back from  
470 the meeting?

471 . A Not directly. Later on I did that evening.

472 . Q The evening of the 20th.

473 . A Right.

474 . Q Can you tell us when that was?

475 . A My sense is it was around 7. But it may have been  
476 a little later than that.

477 . Q Was this at the Department?

478 . A Yes.

479 . Q Can you tell us what he told you?

480 . A Chuck advised that the testimony was not, well I  
481 don't know exactly what he said, this is not a direct quote  
482 or anything, but the gist of it was that there was a problem  
483 with the testimony and with what he had heard from the State  
484 Department, Sofaer with regard to the knowledge of  
485 government officials about the shipment, I think it was in  
486 1985.

487 . Q Arms shipment to Iran.

488 . A Right. And that Chuck felt that it was important  
489 in light of the discrepancies that we call the Attorney  
490 General and alert him to the matter so that he would be  
491 aware of it and could make the decision as to how we ought  
492 to proceed, what ought to be done, in other words.

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493 . Q What did Mr. Cooper tell you the discrepancies  
494 were?  
495 . A My recollection was it had to do with the knowledge  
496 of the people in the government with regard to the '85,  
497 November '85 shipment.  
498 . Q Could you be more specific.  
499 . A No.  
500 . Q Is that all he told you?  
501 . A That is what I recall.  
502 . Q Did Mr. Cooper tell you that the State Department  
503 had a note, a contemporaneous note taken in November '85  
504 that reflected that Secretary Shultz was told of the Hawk  
505 shipments?  
506 . A I don't know whether he told me that that evening  
507 or the next day, I just don't recall. I know there was a  
508 contemporaneous note and I know that but I don't recall. My  
509 recollection was that Chuck had recounted that he had had a  
510 conversation with Sofaer and that what Sofaer had told him  
511 didn't square with what the testimony was reflecting and  
512 that he felt it important before anybody goes to testify  
513 that there be a meeting of the minds among the principles as  
514 to what the facts were so that there could be accurate  
515 testimony and he felt because of the level that we were  
516 talking about with Casey and Shultz, that it was important  
517 that the Attorney General be alerted to this and take

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518 | whatever action is felt he needed to take in order to assure  
519 | that the discrepancy was cleared up.  
520 | . Q Did you discuss anything else with Mr. Cooper at  
521 | that time?  
522 | . A I am sure I did, but I don't recall it.  
523 | . Q What happened after the discussion?  
524 | . A We put in a call to the Attorney General.  
525 | . Q And the Attorney General was at West Point.  
526 | . A I think he was, yes, although I was on this end of  
527 | the conversation so I don't know where he was.  
528 | . My sense is he was still there I think, I don't  
529 | know whether he left, I think he was still there.  
530 | . Q At West Point.  
531 | . A I think so.  
532 | . Q This is the evening, early evening of the 20th.  
533 | . A Well, 8 o'clock, sometime around 8, 8:30, whatever.  
534 | . The reason I hesitated, I don't know whether he was  
535 | at West Point or he had left and it was--  
536 | . MR. LEON: Chuck's chronology which he made up for  
537 | himself which was an exhibit in the public hearings we have  
538 | available. Here is my copy of it. And his chronology  
539 | indicates I believe something in the area of 10:30 p.m.  
540 | . THE WITNESS: Well, okay but, we put in a call at  
541 | around 8 or so, to the Attorney General. He said, what do  
542 | we do, then we put in a call to him and couldn't get a

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543 secure line and so there was no conversation, a very short  
544 conversation there would be a secure call made later, and  
545 that is why I am saying I don't know if he was at West Point  
546 or where the Attorney General was, but, we weren't able to--I  
547 am trying to remember whether we actually talked to the  
548 Attorney General or talked to someone who was with him, and  
549 relayed the message there would be a secure line call made  
550 later, then I remember Chuck the time it was designated was  
551 something like 10:30 or 11, my recollection was that Chuck  
552 asked me how interested I was in staying around for a secure  
553 call. I indicated I thought he could handle that very ably  
554 without my assistance, therefore, I left and went home.

555 . But I think the call I am talking about was when I  
556 saw what happened next was about 8 o'clock.

557 . BY MS. NAUGHTON:

558 . Q Do you know how the secure call was arranged?

559 . A With the FBI. Actually with the Command Center, it  
560 was--with the Command Center I think there was some  
561 discussion as to whether they could make available to Chuck  
562 a secure phone he could take home and/or whether he had to  
563 do it at the office, and I don't know how that was finally  
564 resolved. When it got to that level, I decided it was time  
565 for me to duck out quick before I would get--

566 . Q Does the Attorney General--

567 . A --involved in a secure call.

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568 . Q Excuse me. Does the Attorney General have access  
569 to a secure phone at all times?

570 . A Yes, I am sure he does. I am sure if he doesn't  
571 have access that there are places that he can go where there  
572 are secure phones and I am absolutely positive that West  
573 Point must be one of the best places you could imagine for  
574 trying to find a secure phone.

575 . Q But you don't know, please correct me if I am  
576 wrong, you don't know of your own knowledge if the secure  
577 call Mr. Cooper placed was placed to a phone in West Point  
578 or one to a phone that the Attorney General may have in his  
579 possession, is that correct?

580 . A Well, I think that he was at West Point and I am  
581 sure that he talked on the secure phone. If you are asking  
582 me who owned the secure phone, you have got me.

583 . Q Did you meet with anybody else at the Department  
584 after you met with Cooper and you placed this first call?

585 . A No.

586 . Q Did you go home then?

587 . A Yes.

588 . Q Did you hear from Mr. Cooper later that evening on  
589 the phone?

590 . A No.

591 . Q Did you hear from the Attorney General?

592 . A No.

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593 . Q Do you know whether or not Mr. Cooper called anyone  
594 else that evening in the United States government?  
595 . A No.  
596 . Q Did you talk to anybody else outside of the  
597 Department of Justice that evening about this issue?  
598 . A No.  
599 . Q Now, if we can move to Friday morning then, this is  
600 November 21st. Did you go straight from your home to the  
601 Department of Justice?  
602 . A Yes.  
603 . Q And do you recall whether or not you attended let's  
604 say any meetings prior to 8:30 Friday morning?  
605 . A I don't recall. I don't recall attending any  
606 meetings prior to 8:30 but if I did, it would be the 8:10  
607 meeting.  
608 . Q Do you recall attending the 8:30 senior management  
609 group meeting?  
610 . A Not specifically, no. I understand that somebody  
611 who took the attendance reflected I was there at 8:30. I  
612 have no reason to doubt that but I don't have any specific  
613 recollection.  
614 . Q Did you take any notes at that meeting?  
615 . A I don't have a recollection of the meeting so I  
616 wouldn't have any recollection whether I took any notes, but  
617 I don't, if I took them you have them.

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618 . Q Do you normally take notes at those meetings?

619 . A No, not in the sense that I suspect you are asking.

620 I will from time to time jot down different things,

621 different notations because the Attorney General will ask

622 that I follow up on something or there will be something

623 that is of interest, but I don't take running notes of the

624 meeting. I will go through many of those meetings and take

625 no notes.

626 . Q Do you know if there is any person that is

627 designated as a sort of note taker at those meetings?

628 . A I don't know of any person that is designated as a

629 note taker for those meetings. I know that some people take

630 notes and other people don't.

631 . Q Now during that meeting, was the Attorney General

632 present?

633 . A Since I don't recall whether I was present I don't

634 have a recollection of whether he was.

635 . Q Do you recall at any senior management staff

636 meeting let's say, that week, do you recall there being any

637 discussion of the Iran arms sales?

638 . A I don't have any recollection one way or the other.

639 . Q Do you recall any time prior to November 24, Mr.

640 Weld bringing up the subject of the Iran arms sales?

641 . A No.

642 . Q Do you recall Mr. Trott discussing them at all

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643 prior to November 24, other than the meeting to which you  
644 have testified earlier?

645 A Well, I didn't recall him discussing it in that  
646 meeting. That was the meeting where you asked me first time  
647 I heard Cooper...

648 MR. LEON: Could you get a clarification?

649 THE WITNESS: Having a legal estimata. There was  
650 no discussion with Trott.

651 BY MS. NAUGHTON:

652 Q I believe you testified Mr. Trott at this meeting  
653 agreed it was a good idea?

654 A There wasn't any discussion.

655 Q Okay, but what I want to do--I want--

656 A You asked whether there, I want to make it clear  
657 you said was there any other meeting where Trott had  
658 discussed the Iran initiative. I don't recall any meeting  
659 whara Trott discussed the Iran initiative.

660 MR. LEON: Are you distinguishing between the sale,  
661 Iran initiative arms sales and the sales of arms with Iran  
662 in that case in the Southern District of New York, that Wald  
663 later brought up as an issue?

664 MS. NAUGHTON: I am not distinguishing; I am asking  
665 if Mr. Wald ever brought up the subject of Iran arms sales  
666 from November 14 to November 24.  
667 THE WITNESS: If you are asking if he ever did the

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668 answer is yes. If you are asking if I have any recollection  
669 of it, the answer is no.

670 BY MS. NAUGHTON:

671 Q Can I ask you how it is you know he did?

672 A Because he testified on deposition and the  
673 deposition was made available and I read the deposition.

674 Q Other than reading the deposition, were you aware  
675 of his comments?

676 A No.

677 Q At the time contemporaneously?

678 A I have no recollection I guess if I was there and  
679 he made a remark, I was aware of it but I don't have any  
680 recollection.

681 Q So upon reading his deposition, that does not  
682 refresh your recollection that he made no comments; is that  
683 correct?

684 A No, that does not.

685 Q And do you recall making comments to him after the  
686 meeting was over, concerning what was being done about Mr.  
687 Casey or other people's testimony before the Hill?

688 A No, I don't have any recollection of it nor  
689 apparently does he.

690 Q Well, do you recall prior to November 24, any  
691 discussion with the Attorney General regarding the issue of  
692 whether or not the criminal division should be involved in

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693 the investigating the U.S. sponsored Iran arms sales?  
694 . A Sure.  
695 . Q Can you tell us when that was?  
696 . A There was a discussion on November 21, Friday  
697 afternoon. I believe, when we had received instructions,  
698 direction from the President to initiate and inquire and the  
699 Attorney General came back and asked Chuck and John  
700 Richardson and myself to help. There was discussion at that  
701 time as to whether the criminal division really,  
702 specifically whether Steve Trott or Bill Weld ought to be  
703 involved in helping with the activity for that week-end and  
704 the general consensus was that it would make little sense to  
705 bring the criminal division in at this time since there was  
706 no indication of any kind of criminal activity or criminal  
707 implications, that we were aware of, and that if we were to  
708 bring them in prematurely that that would be a mistake both  
709 from the standpoint that it would be inappropriate to have a  
710 criminal kind of an investigation going on without any  
711 suggestion of criminality, and also that it would be a,  
712 probably be counterproductive in terms of producing any  
713 realistic evaluation of the facts within the short time  
714 frame that we had to operate.  
715 . That was followed by the Attorney General wanting  
716 to discuss with Director Webster whether he felt that we  
717 ought to at this juncture engage the FBI in the inquiry and

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718 he talked to Bill Webster and Bill readily agreed that it  
719 would be premature at this time for the FBI to get involved  
720 and indeed that the FBI involvement could well inhibit  
721 rather than advance any kind of a factual inquiry, and  
722 therefore it would not be appropriate to bring them.

723 . I think I am sure those were both that that  
724 recounting that I just gave was in the afternoon of the  
725 21st.

726 . Q According to your recollection, was the meeting  
727 between the Attorney General and Mr. Webster, which I gather  
728 you did not attend, is that correct?

729 . A Well, it was a, I think to call it a meeting,  
730 really kind of formalizes it way out of proportion. It was  
731 a rather brief discussion that they had and that I was  
732 present in the room at the time.

733 . Q Let me if I could take this step by step. Which  
734 came first, the discussion with Webster or the meeting with  
735 yourself and Mr. Cooper and Mr. Richards and the Attorney  
736 General?

737 . A The letter came first.

738 . Q So first you folks had this discussion about  
739 whether or not Mr. Trott or Mr. Weld should be part of the  
740 investigation, and then the Attorney General brought this  
741 up?

742 . A Arnie Burns was in on that discussion, too, by the

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743 way. He agreed fully with the call that we undertake a  
744 factual inquiry based, without bringing in the criminal  
745 division.

746 Q Now, let's start then with the meeting between  
747 yourself and Mr. Cooper and Mr. Richardson and Mr. Burns and  
748 the Attorney General. Was that a luncheon meeting?

749 A My recollection is, I don't remember it in that  
750 time frame but I don't recall whether it was a luncheon  
751 meeting or not.

752 Q Do you recall whether or not Mr. Bolton was  
753 present?

754 A My recollection is that John was not present at  
755 that. He can speak for himself. I don't recall him being  
756 present at this particular discussion. I am trying to  
757 recall. The problem that I am having is that on November  
758 21st, there were a lot of quote "'meetings'", if you want to  
759 call them, people getting together to figure out who was  
760 going to do what and what should be done and so on, and we  
761 met before lunch and during lunch and after lunch and there  
762 were different people in, different in the room at different  
763 times.

764 So when you ask me was that a luncheon meeting, my  
765 recollection is what I recounted in response to your  
766 question with regard to the criminal division occurred, did  
767 not occur over lunch but occurred after lunch in the

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768 afternoon, but briefly after lunch, but I don't have a clear  
769 recollection of when each of these discussions took place  
770 and who was in the room. I don't think John was in the room  
771 when we had that discussion. He is here to correct me.  
772 . 2 Can you tell us who it was that brought up the  
773 issue of whether or not Mr. Weld and Mr. Trott should be  
774 involved in the inquiry?  
775 . A I think it was the Attorney General.  
776 . 2 And can you recall?  
777 . A But it may have been Arnie, either the Attorney  
778 General or the deputy.  
779 . 2 Can you recall how that issue was brought up?  
780 . A Well, it was part of an ongoing discussion, it  
781 wasn't as though we were kind of trying to identify issues  
782 and talk about them, we were having a general discussion  
783 that was related to the fact that there needed to be an  
784 inquiry done to figure out what the facts were, that people  
785 that helped in that effort or would be available to help in  
786 that effort were the ones that had been identified, and in  
787 the course of that there was a general question raised as to  
788 whether we should also ask Steve Trott or Bill Weld or  
789 others to help in the inquiry, and it was in that context  
790 that there was some focus on the extent to which it would be  
791 appropriate to implicate at this stage the criminal division  
792 when, as I have indicated, when there was no indication of

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793 criminality. It was in that context who was going to be  
794 doing what in connection with performing a monumental task  
795 that had to be done over a weekend.

796 . 2 Was there a discussion of bringing in other lawyers  
797 then, not necessarily in the criminal division?

798 . 1 Yes.

799 . 2 But other lawyers to help you review documents and  
800 so forth?

801 . 1 Yes.

802 . 2 Can you tell us about that discussion?

803 . 1 Well, it is not any more specific than should we  
804 bring in other lawyers that may be able to help on this. In  
805 fact, I think we tried to snooker John into spending his  
806 weekend on it. It was not a long discussion, it was simply  
807 who do we get to do this and should we get more people and  
808 did it make sense to stick with the team that we had set up?  
809 We concluded that the team we had set up was probably the  
810 best thing to work with given the time frame and what we  
811 wanted to do.

812 . 2 Did you take notes at this particular meeting?

813 . 1 I don't recall. As I said these were a series of  
814 meetings, sort of one and another and I don't, I am not  
815 sure. If you have got some notes of mine and you let me see  
816 them, I will tell you whether I took them.

817 . 2 I don't have notes of this specific meeting that

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818 | you have just described. That is why I asked if you recall  
819 | taking notes.

820 | . A I will tell you if I took notes you have them, so  
821 | if you got some notes you want to know whether they pertain  
822 | to that meeting, let me see them. You have everything I  
823 | have written down on this.

824 | . Q Prior to December 4th, '86 for the record.

825 | . MR. BOLTON: Pursuant to the agreement with the  
826 | committees for the record.

827 | . BY MS. NAUGHTON:

828 | . Q Fine.

829 | . Now, you said that you were present when the  
830 | Attorney General brought up the issue of the fact finding  
831 | inquiry with Director Webster?

832 | . A Yes.

833 | . Q Is that correct?

834 | . A Yes, sir.

835 | . Q Was anyone else there besides the three of you?

836 | . A I don't think so.

837 | . Q What was Mr. Webster, did this take place in the  
838 | Attorney General's office?

839 | . A Yes.

840 | . Q What was Director Webster over there for?

841 | . A I don't know.

842 | . Q How is it that you came to be part of this meeting?

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843 . A It was again, to call it a meeting, is to  
844 overformalize it.

845 . It was one of those situations where I was in the  
846 Attorney General's office talking to him about something and  
847 Bill Webster came in and the conversation took place.

848 . Q I guess what I am confused about is was Director  
849 Webster over to see the Attorney General about some other  
850 matters?

851 . A I don't know.

852 . Q You don't know whether it was a planned meeting?

853 . A Well, except that it would be inconceivable to me  
854 that Director Webster and the Attorney General would meet on  
855 an unplanned basis. They just don't bump into each other in  
856 the Attorney General's office by happenstance.

857 . Q Did they discuss any other issue?

858 . A I have no idea.

859 . Q Well, did you, after this issue was discussed, did  
860 you leave the room?

861 . A I did.

862 . Q Did the Director stay behind with the Attorney  
863 General?

864 . A He did.

865 . Q So he may have met about something else; you  
866 weren't party to that part of the meeting, is that right?

867 . A Yes.

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868 . Q Could you tell us?

869 . A This took all of 3 minutes.

870 . Q And can you tell us when you say this, could you

871 describe the conversation.

872 . A The conversation I have already described. The

873 Attorney General asked the Director, indicated to the

874 Director we had been asked to--he had asked to do a fact

875 inquiry and I am not sure exactly who, I don't have a

876 specific recollection of the specific conversation but

877 except to the extent that he asked him what his view was as

878 to FBI involvement and I think indicated that since we had

879 no indication of criminality that, criminality that the

880 Attorney General's sense was that it would be premature to

881 bring the FBI in, and there was concurrence by Judge Webster

882 on that, he felt it would have been inappropriate.

883 . Q To the best of your recollection, can you tell us

884 what the Attorney General said, he was inquiring about, in

885 other words, what were the issues that he brought before the

886 Director in describing what his inquiry was going to consist

887 of?

888 . A Well, it was not that specific, as I say this was

889 all of a three-to-four minute discussion, everybody was

890 fully aware of the Iran event, series of events, my

891 recollection was the Attorney General indicated that the

892 President had asked that the Attorney General look into the

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893 matter and try to get his arms around what all the facts  
894 were because of the various versions that were floating  
895 around, what actually had taken place. So he was going to  
896 undertake a fact inquiry over the weekend and was of a view  
897 that this should be done by him and Chuck and me and J.R.  
898 and had not intended to call in the FBI and did the Director  
899 feel we ought to get the FBI involved.

900 . The Director's view was that it was no indication  
901 of any criminal activity, it would therefore be premature to  
902 have the FBI involved in this kind of an inquiry and so that  
903 we all concurred that or they concurred, and I was obviously  
904 standing there nodding, they concurred that we should not  
905 bring in the FBI.

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906 RPTS DOTSON

907 DCMN DONOCK

908 2:30 p.m.

909 . Q Did the Attorney General tell Director Webster about  
910 the discrepancy in the proposed Casey testimony?

911 . A Not to my recollection, no.

912 . Q Did he describe the 1985 shipments to the Director?

913 . A In that particular conversation, no. I think that  
914 there had been discussions that they had probably known  
915 prior to that about the whole thing, but that particular  
916 conversation, it was one, the context of it was one where  
917 you didn't need to brief the Director to bring him up to  
918 speed.

919 . He was fully familiar with all the news items that  
920 were on the front page of every paper about all that was  
921 going on.

922 . Q That is where I am specifically asking about the  
923 1985 shipments, which at this time were not public  
924 knowledge. Was there a discussion between the Attorney  
925 General and the Director regarding the possible illegality  
926 of the 1985 shipments?

927 . A No, I don't recall discussions of the illegality of  
928 the '85 shipments with the Attorney General and any of us  
929 that were on the team that did the inquiry prior to the  
930 24th.

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931 . Q So, you never discussed such legal issues then with  
932 Mr. Cooper?

933 . A I think there were a lot of legal issues we  
934 discussed, but you are saying the illegality of the '85  
935 shipment, and I don't recall that as being a point of  
936 discussion.

937 . Q There was a legal question as to the legality of the  
938 shipments. Is it your testimony you did not discuss that  
939 issue prior to Monday, the 24th?

940 . A Well, we discussed a lot of issues relating to legal  
941 questions on the '85 shipment. In terms of the illegality  
942 of it, I don't recall that being a point of discussion. I  
943 guess I am still trying to focus on what was the illegality  
944 of the '85 shipment.

945 . Q Well, what were your discussions regarding the  
946 legality of the '85 shipments?

947 . A There were all sorts of legal questions that related  
948 to notice to Congress and notification of the activities,  
949 the Boland Amendment questions and so on that were there.  
950 But in terms of, as you phrase it, the possible illegality  
951 of the '85 shipment, that was not raised with the Director,  
952 and I don't recall a specific discussion of that particular  
953 legal question until sometime down the road.

954 . Q As of, let's say, up to the 22nd, what was your  
955 understanding regarding any Presidential findings that had

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956 | been made pursuant to the National Security Act?

957 |     A     The only Presidential finding that I was aware of

958 | was the January 16 Presidential finding.

959 |     Q     When did you become aware of that?

960 |     A     The 21st, I think.

961 |     Q     And how did you become aware of it?

962 |     A     Well, after we had gotten together on the 21st and

963 | the assignment had been made with regard to the weekend

964 | activity, my first efforts were sort of directed at getting

965 | up to speed as much as I could on what we had available to

966 | us, and therefore, I reviewed draft testimony, McFarlane's

967 | public statements of chronology that had been proposed I

968 | think by North, and whatever, and then a series of news

969 | articles.

970 |           It was in the process of getting that sort of

971 | preliminary knowledge that I learned that.

972 |     Q     From whom did you receive the chronologies that you

973 | referred to?

974 |     A     I think it was only one chronology, and I am not

975 | sure where I got that. My sense is it was from Chuck, who

976 | had collected most of the documentation that we had and made

977 | it available, made copies available. I think that is right.

978 |     Q     Now, do you recall attending any meetings in mid-

979 | afternoon on Friday, at which Mr. Bolton briefed you about

980 | Mr. Casey's testimony?

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981 . A Yes.

982 . Q Can you tell us what occurred at that meeting?

983 . A Let me have my notes.

984 . Q I don't know that I have them.

985 . A You do. It says, "Bolton briefing."

986 . Q That is what I have.

987 . A You don't have any other notes of mine?

988 . Q I was not planning on introducing these notes.

989 . A That is okay, I will introduce them.

990 . Q If you have a copy here, fine.

991 . A I guess if I am going to testify on meetings, I

992 would like to have a copy of the notes.

993 . Q Sure. Do you have your copies? I was not planning

994 on introducing them, because they have already been

995 introduced at the hearings.

996 . Mr. McGough is providing you a copy of his Public

997 Exhibit EM-38. If you could use it to refresh your

998 recollection, we will have it included as an exhibit.

999 . A Yes, that is it. You want me to recount what I had

1000 down here--

1001 . MR. LEON: That is Meese Exhibit 38, right?

1002 . MS. NAUGHTON: Yes.

1003 . THE WITNESS: This is not all--in fact, only the

1004 first page is the notes on the meeting.

1005 . MR. MCGOUGH: So the record is clear, what I handed

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1006 the witness was the entirety of what was introduced at the  
1007 hearing as EM-38. I am not suggesting they are the same  
1008 meeting. For completeness, I gave you everything that went  
1009 in as that exhibit.

1010 THE WITNESS: Maybe I should just clarify what I am  
1011 looking at is the first page of EM-38, which contains the  
1012 notes of that meeting. The subsequent pages do not appear  
1013 to relate to the meeting, and I don't think they do.

1014 I think there was only one page of notes.

1015 Basically, what I took down are John's accounting of what  
1016 went on during the testimony. The first item is General  
1017 Counsel, CIA opinion on withholding information, January of  
1018 '85; then there was apparently testimony as to a January  
1019 meeting at Poindexter's office, where a decision was made  
1020 not to inform Congress--I assume that is of the '85 shipment  
1021 of arms.

1022 CIA proprietary flight, I guess that is reference to  
1023 the November shipment of '85, Casey said the CIA did not  
1024 know the cargo. And then something about, it is not too  
1025 clear, Poindexter did not know what the cargo was until  
1026 yesterday, yesterday being the--a lot of discussion of  
1027 section 501(c); then finding during the January meeting  
1028 where Shultz was present, Weinberger and Shultz expressed  
1029 reservations as to the policy, but not as to the question of  
1030 whether to notify Congress.

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1031 . . . . . Apparently there were discussions on who prepared  
1032 the finding. It is unclear, but it looks like admitted to  
1033 participate. Then there is an item I had written down--it is  
1034 obviously super-sensitive and it has been crossed out.

1035 . . . . . This isn't clear to me what this says, something  
1036 about expenditures for CIA-related activities. I can't make  
1037 out the rest of this.

1038 . . . . . BY MS. NAUGHTON:

1039 . . . . . 2 Let me ask you this from your independent  
1040 recollection: Do you recall whether or not Mr. Bolton  
1041 mentioned anything regarding Mr. Casey's testimony about NSC  
1042 activities in Central America? And specifically in  
1043 supporting the contras?

1044 . . . . . A I don't recall that, and I don't have that reflected  
1045 in my notes, so I think it is unlikely.

1046 . . . . . 2 The next page to which Mr. McGough referred, the  
1047 next page of EM-38--these came together the way we got them.  
1048 Do you recall when that second page of notes was taken?

1049 . . . . . A I don't recall. I do recall, though, because this  
1050 came up with the Independent Counsel, that somebody had put  
1051 these together and they were not together, these were notes  
1052 of something else, and it is not part of the briefing.

1053 . . . . . I am sure what happened is all the notes were just  
1054 gathered up and handed in and somebody either over there or  
1055 over here clipped them together by mistake, and it is now

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1056 part of the same set of notes.

1057 . Q Do you recall when these notes were prepared?

1058 . A I don't. But I would think it was sometime during

1059 that weekend activity.

1060 . Q Do you recall what they are notes of? In other

1061 words, are they notes of documents you were reviewing or

1062 notes of a meeting?

1063 . A I don't know. They would have been one or the

1064 other, and I am just not sure.

1065 . Q Well, from the context, does it refresh your

1066 recollection as to whether or not somebody was speaking

1067 those words or you were reading them?

1068 . A It may not have been either. It might have been

1069 something I was sitting down trying to think there where I

1070 was--I mean, it could be a combination of documents that I

1071 was reading and things that I was thinking had to be done,

1072 or it could be somebody speaking. I just don't have a good

1073 recollection.

1074 . Q And then the third page of EM-38, if you could turn

1075 to that, please? Do you recall when you wrote those notes?

1076 . A This looks like notes taken on the document search.

1077 It would have probably been Saturday morning. That is what

1078 that looks like. In other words, notes on documents. We

1079 started out unsure whether we had copied the documents, and

1080 therefore we were going to do something by way of an

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1081 identifier of those we would want to copy.

1082 . Q Could you read us the first couple of lines on that

1083 document?

1084 . A The first one, ''Situation Room Note 11-21-86, U.S.

1085 sale of arms to Iran '85- '86, 12.3 million''. The second

1086 item is blacked out, but there is a date, 11-7-86, operation

1087 of hostage release, I think it says done by NSC/White House,

1088 State, not involved.

1089 . The next entry is NSC November 14, '86 memo, South

1090 America transport request, I think it is--

1091 . Q Excuse me, could that be Southern Air?

1092 . A I am sorry. Request for Southern Air Transport

1093 logs. Then it trails off. I can't read the rest of it.

1094 And the last one looks like Ghorbanifar something.

1095 . Q Do you know where your original notes are?

1096 . A Yes.

1097 . Q Where are they?

1098 . A They are in a notabook, which I can make available

1099 if you all want to see them.

1100 . Q What I am getting at, they are not in the possession

1101 of the Independent Counsel, they are in your possession?

1102 . A <sup>They</sup> ~~There~~ are in my possession.

1103 . Q We may ask to do that as our copies are illegible in

1104 some areas.

1105 . A You are welcome to them.

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1106 . Q Thank you.

1107 . A These are not even in order, it seems to me. Okay.

1108 . Q I believe you testified that you spent the remainder

1109 of Friday afternoon and possibly evening reviewing the

1110 chronology--

1111 . A It wasn't possibly the evening, it was the evening.

1112 We put in long hours over there.

1113 . Q Did you stay at the Department of Justice while

1114 reviewing these documents?

1115 . A Well, I was at the Department late, but then I think

1116 I took materials home and continued working at home.

1117 . Q Do you know what Mr. Richardson was doing on Friday

1118 afternoon?

1119 . A Not precisely. I don't know. You will have to ask

1120 him.

1121 . Q Were you briefed on the McFarlane interview that Mr.

1122 Cooper and the Attorney General conducted on Friday

1123 afternoon?

1124 . A I am trying to remember whether it was Friday or

1125 Saturday, I know that there was some general discussion of

1126 what McFarlane said, that I had with Chuck I think late

1127 Friday, and then there was more discussion of it Saturday.

1128 . Q What did that discussion focus on?

1129 . A My recollection is that McFarlane had made a number

1130 of public statements, and the briefing in essence, I am

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1131 | sorry, the interview with McFarlane in essence, I guess, was  
1132 | described as being consistent with what he said in the  
1133 | public statements, and that there was an inconsistency  
1134 | between that and what Chuck had learned from the State  
1135 | Department.

1136 | .    2    Could you be more specific about that?  
1137 | .    A    In terms of the point that had been raised with  
1138 | regard to the Casey statement, the knowledge of State  
1139 | officials as to whether there were arms shipped in November,  
1140 | oil drilling parts, and McFarlane had in his public  
1141 | statements indicated that he had had some considerable  
1142 | involvement in this activity, but that he had been kind of  
1143 | the person who said he had most of the knowledge, and no one  
1144 | else had knowledge and in the November shipment that--there  
1145 | was some discrepancy between what his knowledge was of what  
1146 | was on the plane in November of '85, or his knowledge at  
1147 | that time versus what he learned later.

1148 | .           There was some discrepancy between that and what  
1149 | Chuck had learned from Sofaer in the State Department. My  
1150 | recollection is the discussion we had with regard to  
1151 | McFarlane's testimony after the fact with Chuck was to the  
1152 | effect that McFarlane had basically not strayed very far  
1153 | from where he was in his public pronouncements, but that in  
1154 | not straying very far, he had highlighted the problem of who  
1155 | in the government knew at the time that there were arms on

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1156 the November shipment, and that the conversation with Shultz  
1157 the next day was going to be telling in terms of trying to  
1158 find out just how much discrepancy there was and where the  
1159 inconsistencies were and how Shultz and McFarlane's stories  
1160 matched up.

1161 . So it was that kind of discussion.

1162 . 2. Were you aware that Mr. McGinnis had been dispatched  
1163 to [REDACTED] intelligence information?

1164 . 1. That happened Friday night, yes, late Friday night.

1165 . 2. You were aware that was going on?

1166 . 1. Right. Well, I was aware--actually, I think I  
1167 learned that the next morning as opposed to that night. I  
1168 think the next morning I learned that he had been up to 2 or  
1169 3:00 in the morning.

1170 . I don't think I knew about it, I don't think I knew  
1171 that he was dispatched when he was dispatched.

1172 . 2. When were you told about the results of his review,  
1173 in other words, what he had found?

1174 . 1. Probably after we got back Saturday afternoon from  
1175 our document search.

1176 . 2. And what were you told that he had found?

1177 . 1. I don't really have a recollection now of what  
1178 exactly it was. We were discussing what we found [REDACTED]  
1179 [REDACTED] and there was a  
1180 marked similarity in terms of the kinds of things he was

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1181 finding, and what we were finding in terms of arms for  
1182 hostages, a lot of indications that arms were being sent and  
1183 hostages were to be released and that there were a lot of  
1184 people who were, not government people, but a lot of Iran  
1185 players that were involved in this whole idea of somehow  
1186 moving arms and getting hostages in return.

1187 . Q Mr. McGinnis, did you speak to him directly or did  
1188 you hear this through Mr. Cooper?

1189 . A I think it was John and Chuck. I am trying to  
1190 remember, though, because I knew he was up, I talked to John  
1191 McGinnis directly [REDACTED] at some point over  
1192 that weekend.

1193 . Now, whether that was the first time I learned or  
1194 later, I don't know. I know the guy was up all night, and  
1195 we didn't get to it, to his piece until after we had come  
1196 back from looking at documents on Saturday, and he may have  
1197 been wiped out by then.

1198 . He may have gone and caught a couple of Winks.  
1199 Chuck may have been the first one I spoke to about that, and  
1200 then later talked to John about it. I don't know a clear  
1201 recollection.

1202 . Q When you did speak to John about this, John  
1203 McGinnis, did he mention any [REDACTED] pricing  
1204 information, in other words, how much the missiles were sold  
1205 for and negotiations surrounding the pricing of the

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1206 missiles?

1207 . A We did have discussions about that, but I am not  
1208 sure I recall, I don't recall when that was. Yes, that was  
1209 discussed, but I am not, I can't place it, I am not sure  
1210 exactly at what point in time.

1211 . But the focus on the pricing really, the intense  
1212 focus on the pricing really took place after we talked with  
1213 Ollie North Sunday evening, and we had gotten an account of  
1214 the diversion.

1215 . I don't have a good recollection that there was much  
1216 focus on pricing before that, although it may well have been  
1217 discussed because we were discussing a lot of things over  
1218 that weekend, and I just can't sort out when each topic came  
1219 up and with respect to which conversation.

1220 . There was talk of it and, yes, he mentioned that,  
1221 and we had some discussion of it.

1222 . Q I guess what I am getting at is, when Mr. McGinnis  
1223 told you that there was some information regarding pricing,  
1224 that in itself did not alert you to the fact there might be  
1225 a diversion of funds?

1226 . A I didn't talk to John about any of that until I had  
1227 discovered the document that said there might be a diversion  
1228 of funds.

1229 . Q That did not alert you to look for this?

1230 . A That alert was on.

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1231 . 2 McGinnis' conversation did not alert you to  
1232 diversion, the diversion instead alerted you to the pricing  
1233 information, is that the extent?  
1234 . A Well, except that the latter part of that--I don't  
1235 want to leave the impression that upon finding the diversion  
1236 document, we then started a search for pricing information.  
1237 We were looking at the documents and looking for anything  
1238 and everything in them and copying the ones we thought were  
1239 relevant, and pricing information was one of the things that  
1240 was relevant.  
1241 . 2 Let me put it this way, then: Prior to finding the  
1242 famous diversion memo, were you aware that there was a  
1243 tremendous profit margin in these arms transactions?  
1244 . A No, no.  
1245 . 2 Now, if we can turn our attention then to Saturday  
1246 morning, do you recall--  
1247 . A When you say was I aware, there was a tremendous  
1248 profit margin, there were a lot of things [REDACTED]  
1249 there were a lot of big numbers [REDACTED] and I  
1250 mean to the point where it raised eyebrows, and we  
1251 definitely copied [REDACTED] that had big numbers  
1252 associated with them with the arms sales, but if you are  
1253 asking me whether that--and it was discussed quite openly as  
1254 a profit margin.  
1255 . These guys that are in this business don't do it for

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1256 peanuts, and so that was certainly an item that we were  
1257 aware of, and that we were looking at just to get an  
1258 understanding of the whole situation.

1259 . But if you are asking did that trigger in my mind  
1260 something related to diversion or misappropriation or  
1261 whatnot, no, that was not--I didn't know what they--I didn't  
1262 know what the market value was for these things when I  
1263 was--when I started out in this thing.

1264 . To me, a TOM could have been \$10 million or \$1,000,  
1265 and I wouldn't have blinked either way. I just had no idea  
1266 what the going rate was. I never had occasion to go out and  
1267 purchase one.

1268 . Q If we can stay on Mr. McGinnis' [REDACTED] for a  
1269 moment, were you at all part of trying to grant him security  
1270 clearances to get to [REDACTED]?

1271 . A No.

1272 . Q For the record, is that something the Attorney  
1273 General is empowered to do, that is to grant clearances in  
1274 an emergency or on a quick basis?

1275 . A I believe that is right, but I don't know whether he  
1276 can do it on his own, or he has to go through somebody else.

1277 . Q If we could turn our attention to Saturday morning,  
1278 do you recall when you left your home that morning, did you  
1279 go to the Department of Justice or--

1280 . A I did. Actually, my first recollection is rather

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1281 fuzzy on this, I thought I had gone directly to the White  
1282 House, but I went to the Department of Justice first.

1283 . Q You say your first recollection. When we  
1284 interviewed you the first time, you told us you went  
1285 straight to the White House.

1286 . A I think I said I thought I did, I didn't have a good  
1287 recollection of it, it was a little fuzzy; but my  
1288 recollection at that time was, my best recollection at that  
1289 time was I had gone directly to the White House, and then  
1290 you all had probed on that and kind of refreshed it, and the  
1291 fact is that I went to the Department of Justice before I  
1292 went over to the White House.

1293 . Q What happened in the interim to refresh your  
1294 recollection?

1295 . A Well, I discussed it with, I think you all showed me  
1296 some notes that you had of John's, and I discussed it with  
1297 John afterwards--

1298 . Q John who?

1299 . A John Richardson. And I recalled there had been a  
1300 briefing or debriefing of the Shultz interview that morning  
1301 before we went over.

1302 . So, you know, I obviously had--my recollection was  
1303 inaccurate at that point.

1304 . Q Do you have any independent recollection of that  
1305 morning meeting at the Department?

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1306 . A That is correct, I went to the Department. I recall  
1307 I went to the Department.

1308 . Q Do you recall how arrangements were made for you to  
1309 go over to the NSC to review documents?

1310 . A Well, only what you all have been told. I have no  
1311 reason to question that account.

1312 . Q Rather than say what we have been told, can you just  
1313 tell us what you knew was going on at the time?

1314 . A I was not involved in it. That was phone calls made  
1315 by two other people to get clearance for documents, so if  
1316 you want what my recollection was, I was not involved in  
1317 that, I don't have any knowledge of it.

1318 . Q Did you provide your birth date and car license  
1319 number?

1320 . A I doubt very seriously that I did, but I am sure my  
1321 secretary did or whoever it is if they needed it. That is  
1322 not a state secret.

1323 . Q When you went over to the White House complex--

1324 . A Did you say my license--

1325 . Q Car license plate number.

1326 . A I think that was because on Sunday I asked, I asked  
1327 to get clearance so my car, so I could go in with my car.  
1328 In order to get clearance, they need your license number. I  
1329 think my secretary probably gave that information.

1330 . Q On Saturday, do you recall when you left the

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1331 Department of Justice, where you went?

1332 . A What time? When I left the Department?

1333 . Q Saturday morning, approximately 10:30, 11:00.

1334 . A To go to the--

1335 . Q To the White House.

1336 . A I went to the White House.

1337 . Q Did you go to the White House itself or the Old

1338 Executive Office Building?

1339 . A I think we went to the White House and met Paul

1340 Thompson and walked over to the Old Executive Office

1341 Building to North's office.

1342 . Q Did you know Mr. Thompson from before?

1343 . A Just--yes. No, not well.

1344 . Q Was Admiral Poindexter at the White House Saturday

1345 morning?

1346 . A Not to my knowledge. I don't know.

1347 . Q Did Mr. Thompson then bring you over to Colonel

1348 North's office?

1349 . A Right.

1350 . Q Was anyone with Commander Thompson?

1351 . A No. J.R.

1352 . Q So, it was the three of you that went over to

1353 Colonel North's office?

1354 . A Yes.

1355 . Q When you went over to Colonel North's office, was

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1356 anybody there?

1357 . A Yes. Earl--he is a Lieutenant; Lieutenant Colonel

1358 Earl.

1359 . Q Anyone else?

1360 . A No.

1361 . Q What was Lieutenant Colonel Earl doing?

1362 . A Nothing very dramatic. I mean, he got up and let us

1363 in and showed us to the room where we were to review

1364 documents, and there was a table there and placed on the

1365 table were a number of file folders, and basically, I don't

1366 know what he was doing at the time we were there.

1367 . He was behind the desk, and on the phone and that

1368 kind of thing.

1369 . Q Who was it then? Was it Earl or Thompson that

1370 actually showed you what documents were relevant and so

1371 forth?

1372 . A Well, the documents were out. I would say it was

1373 Earl, because--yes, Thompson brought with him a folder that

1374 had the signed findings, and we looked at those. But those

1375 were the only documents he actually showed.

1376 . And the other documents were ones that I believe had

1377 been pulled by Earl and maybe North, and they were on the

1378 table.

1379 . Q The signed findings that Commander Thompson showed

1380 you, do you recall which ones you say?

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1381 . A Yes. I think it was the January 7 and the January  
1382 16 findings.

1383 . Q Did they appear to be the originals?

1384 . A They were the originals.

1385 . Q How do you know?

1386 . A Yes, they appeared to be the originals.

1387 . Q In other words, the signatures or the handwriting  
1388 were in ink?

1389 . A Yes.

1390 . Q Do you remember what color ink?

1391 . A No.

1392 . Q Do you recall any finding done prior to that date,  
1393 November or December of '85?

1394 . A No.

1395 . Q Did--

1396 . A I don't think so.

1397 . Q Did you ask for copies of either the finding of the  
1398 7th or the 16th?

1399 . A I am trying to remember whether what has  
1400 affectionately been called the mini-finding was something we  
1401 saw at that time--I don't recall. I don't recall.

1402 . What did you ask me? Did what?

1403 . Q Did you see any findings, did Commander Thompson  
1404 show you any findings wherein in either November or  
1405 December?

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1406 . A I don't think so. I think it was just those two.  
1407 . Q Do you know if Mr. Richardson showed you--  
1408 . MR. LEON: Could we have it read back?  
1409 . THE WITNESS: There was a question I asked, but  
1410 didn't answer. Go back.  
1411 . [Whereupon, the reporter read the record as  
1412 directed.]  
1413 . THE WITNESS: Yes, we did. We couldn't have.  
1414 . BY MS. NAUGHTON:  
1415 . Q You couldn't have copies?  
1416 . A No.  
1417 . Q Why not?  
1418 . A I gather copies of the finding at that time were  
1419 not--those were the documents that were, the originals were  
1420 held in the MSC and nobody was to have copies.  
1421 . Q Did Commander Thompson tell you that?  
1422 . A Yes.  
1423 . Q Do you know whether or not Mr. Richardson examined  
1424 the findings with you?  
1425 . A Yes. Well, examined them, he looked at them.  
1426 . Q Do you recall any discussion between Commander  
1427 Thompson and Colonel Earl regarding Colonel North and if he  
1428 was going to arrive that day?  
1429 . A There was--well, there was some, I just have a vague  
1430 recollection there was an inquiry made as to where North was

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1431 or whether he was going to be there, and that the answer was  
1432 that he didn't know where North was, and he thought that he  
1433 was going to come in, but he didn't know when. That is my  
1434 recollection of the exchange.

1435 . Q Now, aside from the documents that were on the table  
1436 in Colonel North's office, did either Colonel Earl or  
1437 Commander Thompson retrieve any other files anywhere else in  
1438 Colonel North's office in the morning?

1439 . A Well, we looked at the documents that were on the  
1440 table and they were very---they seemed to be quite  
1441 comprehensive from the January '86 time forward, but very  
1442 skimpy pre-January '86, and we questioned as to whether we  
1443 had all the documents relating to that earlier period.

1444 . And Earl said he would double-check, and my sense is  
1445 that he--I don't remember whether he said he had to double-  
1446 check with Ollie or just said he would double-check, but  
1447 there were retrieved additional documents for the '85  
1448 period.

1449 . I think it was about another accordion folder and a  
1450 half. And that occurred during the time that we were away  
1451 at lunch. So it was not in the morning, but it was  
1452 Saturday. And when we came back from lunch, those  
1453 additional documents were there.

1454 . Q Do you recall asking for them right away then, or  
1455 before you went to lunch?

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1456 . A We asked for them early on, because we took an  
1457 eyeball look at what had been produced, and raised the  
1458 question as to whether this was all the documents relating  
1459 to the Iran initiative in the '85 period.

1460 . I think Earl said he didn't have any knowledge, he  
1461 didn't know one way or the other, but he would double-check.

1462 I don't remember if he said with Ollie when he comes in or  
1463 exactly what he said. And there were indeed some additional  
1464 '85 documents that were retrieved.

1465 . Q Was it your understanding that these were the files,  
1466 that the files of Admiral Poindexter and whatever Mr.  
1467 McFarlane had left behind had already been searched, or was  
1468 it your understanding these were solely Colonel North's  
1469 documents?

1470 . A I asked the question whether these documents  
1471 contained the Poindexter and McFarlane submissions, and was  
1472 told they had been searched and whatever there was in  
1473 McFarlane and Poindexter's files pertaining to this matter  
1474 had been included in the materials that were made available,  
1475 except for a chron file of McFarlane, which was boxed up in  
1476 several boxes, and I said we wanted to see that, at least we  
1477 wanted to see all the documents relevant to Iran that were  
1478 in, and Paul indicated that he would go back and look  
1479 through them, he didn't think there were any such documents,  
1480 but he would review them, and if there were, he would bring

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1481 over any correspondence in that chron file that was relevant  
1482 to the area of inquiry.

1483 . And he later called, quite late in the afternoon,  
1484 Saturday afternoon, and advised me that he had indeed looked  
1485 through those boxes and there were no documents at all  
1486 relating to this matter, and so, no additional documents  
1487 were brought over.

1488 . But I think we were told that the Poindexter and  
1489 McFarlane documents had been included, that were relevant  
1490 had been included in the submission on the table.

1491 . Q Were you told that by Commander Thompson or Colonel  
1492 Earl?

1493 . A Thompson.

1494 . Q Did either Thompson, Earl or later when you spoke to  
1495 North, indicate to you when they had been told that you  
1496 would not coming to examine the documents?

1497 . A No.

1498 . MS. NAUGHTON: Do you want to take a break?

1499 . THE WITNESS: Yes.

1500 . [Recess.]

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1501 RPTS THOMAS

1502 DCMN SPRADLING

1503 [3:30 p.m.]

1504

1505 MS. MAUGHTON: Back on the record.

1506 I can't recall the answer to the question so I  
1507 guess I will reask it. Aside from the files that were put  
1508 out on the table, did either Colonel Earl or Commander  
1509 Thompson get any other documents out of Colonel North's  
1510 office for you to review that morning?

1511 THE WITNESS: That morning, not that I recall.

1512 BY MS. MAUGHTON:

1513 Q Do you recall actually looking at Colonel North's  
1514 file cabinets or shelves for any documents?  
1515 A Not specifically as you asked it. We did walk over  
1516 to a set of file cabinets that were open that had a number  
1517 of documents pertaining to the hostages individually. I  
1518 think that they were filed under the names of each of the  
1519 hostages. And Earl advised that these were the only other  
1520 documents that he was aware of pertaining to this whole area  
1521 of inquiry and did we want to go through the documents that  
1522 were specific as to individual hostages and basically  
1523 contained information relating to their personal  
1524 characteristics and certain different activities that  
1525 related directly to the hostage taking and we did leaf

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1526 through those to see what kind of information were in those  
1527 files and determined that that information there was not  
1528 something that was relevant to the whole area of inquiry  
1529 that we were looking at and therefore did not remove any of  
1530 those files from the file cabinet.

1531 . Q Did you see any files in Colonel North's office  
1532 relating to Nicaragua or the freedom fighters?

1533 . A Other than the ones that have been identified no.

1534 . Q Which ones do you remember?

1535 . A There was a rather significant document that I  
1536 would say related to it.

1537 . Q Other than that document, did you actually see any  
1538 files relating to--

1539 . A No.

1540 . Q As long as we are on that topic, once you found the  
1541 memo which mentioned a possible use of residual funds for  
1542 the freedom fighters in Nicaragua, did you then ask to see  
1543 North's Nicaragua-related files?

1544 . A No.

1545 . Q Now, do you recall what time it was when you  
1546 actually sat down to review the documents?

1547 . A No, but I think J.R. wrote it down and I would be  
1548 more than happy to rely on his note.

1549 . Q Did you start reviewing it approximately at the  
1550 same time?

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1551 . . . A Exactly the same time.

1552 . . . Q Do you recall did you split it up in any particular  
1553 manner?

1554 . . . A Yes, you take this file and I will take that file,  
1555 let's get started.

1556 . . . Q So you didn't do it chronologically.

1557 . . . A Well, I think we--I think we did start from--I am  
1558 trying to remember whether we started from January '86 or  
1559 from, I think we started from the most recent date and  
1560 worked backward because the most documentation we had was in  
1561 the '86 period and we had less in the '85 and we made it a  
1562 request, asked whether there might be more documents in '85,  
1563 started at the tail end and, started most recent time and  
1564 move back chronologically, but, I am not so sure that it was  
1565 done with any degree of precision in that regard.

1566 . . . I know that we divied up files and unfortunately I  
1567 got the wrong one.

1568 . . . Q I believe you described the files as the accordion  
1569 style files that are reddish brown in color.

1570 . . . A Right.

1571 . . . Q Do you recall how they were organized, in other  
1572 words, were they organized solely chronologically or were  
1573 they in order by in terms of types of documents, that is  
1574 [REDACTED] section for memos, another section  
1575 for correspondence?

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1576 . . . A They were identified on their label as  
1577 chronologically. There were interspersed and for the most  
1578 part [REDACTED]. There were interspersed among  
1579 the [REDACTED] other documents and my recollection is that  
1580 they fit in chronologically, that for memos or letters and  
1581 some of those were contained in a manila folder and some  
1582 were just loose. But certainly the largest proportion of  
1583 them [REDACTED] seemed to be in pretty good  
1584 chronological order.

1585 . . . 2 Did it appear to you that the files were well  
1586 organized or chaotic or somewhere in between, can you give  
1587 us some sense?

1588 . . . A In terms of being chronological sort of display  
1589 they were well organized, they were chronological. I  
1590 wouldn't have any frame of reference to know otherwise how  
1591 they were organized. Whether they had some filing scheme  
1592 relating to subject matter or what not I don't know, but the  
1593 document we had made a request for documentation, the  
1594 document had been pulled and they were in chronological  
1595 order and seemed to be pretty orderly production in that  
1596 sense.

1597 . . . Not as good as our production to you of the DOJ  
1598 documents, but pretty orderly.

1599 . . . 2 Did you know where there were any PROF notes, what  
1600 we know as PROF notes? When I say that by the way, have you

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1601 seen one in a public exhibit or have you seen what they look  
1602 like. They are computerized messages that Colonel North and  
1603 Admiral Poindexter used.

1604 . A Right, if you mean the computerized message there  
1605 were some but not many. If, that is, That is my  
1606 understanding of the PROF note. But, I don't know whether  
1607 that is accurate or not.

1608 . Q While we are on the subject of that, at some point  
1609 in that afternoon did you discuss with Colonel North why  
1610 there were no PROF notes in the 1985 time period?

1611 . A No.

1612 . Q My notes of your previous interview indicate that  
1613 you told us at that time that Colonel North told you because  
1614 they didn't have a printer that it was his understanding  
1615 that the '85 PROF notes had been deleted.

1616 . A Well, he did, I guess that is right, although--I  
1617 don't recall, I don't recall that as being in the '85  
1618 period. I do recall we had a discussion of the PROF note  
1619 format and whether there were more of these or others of  
1620 these, and he said that the printer they had was one they  
1621 took it and then they hit a button and it disappeared  
1622 and--that they didn't have a printer that would print out in  
1623 type form the PROF notes which we were looking at until  
1624 sometime, I don't know whether, when they got it, that is  
1625 why there weren't more of these in the file.

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1626 . My recollection is it came up in connection with a  
1627 PROF note that had relevance to the McFarlane trip and so I  
1628 had asked the question as to whether there were others  
1629 similar to this, why there weren't others similar to this  
1630 and he gave that answer, but my sense was it was around  
1631 that, that is what triggered it, I was looking at that one  
1632 at the time.

1633 . He did, you are right that was the discussion we  
1634 had.

1635 . Q As you began to review documents I believe you  
1636 testified that you started taking notes from them, is that  
1637 correct?

1638 . A Well, just identifiers. Rather than it was not  
1639 clear to us initially whether we would be able to copy and  
1640 take them out because they were NSC documents, so I wanted  
1641 to jot down enough of an identification so that if I had to  
1642 go back, I could pull the document.

1643 . Q And when did it become evident to you that you  
1644 would be able to copy the documents?

1645 . A I don't know, I think that was right shortly before  
1646 lunch I think.

1647 . Q What happened to make you aware that you could copy  
1648 them?

1649 . A I think I asked the question I was getting tired of  
1650 writing down all of these notations. I asked Earl whether

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1651 there was any problem of us getting copies of these and he  
1652 said no.

1653 . Q Did he check with anyone first?

1654 . A I don't recall that he did, but I am not sure. It  
1655 may have been he said he didn't think so but he would check  
1656 and I don't have a distinct recollection except I do have a  
1657 recollection we did--had established before we left for lunch  
1658 that we would be able to get copies of the documents.

1659 . Q Now, the documents you were looking at, did you  
1660 select some for copying?

1661 . A Oh, yes.

1662 . Q And how did you designate which ones you wanted to  
1663 have copied and which ones you did not?

1664 . A We pulled the ones we wanted to have copied.

1665 . Q Did you put them in a separate pile?

1666 . A Yes.

1667 . Q Did you mark them in any other way?

1668 . A No.

1669 . Q With paper clips or yellow tags?

1670 . A Well, J.R., I don't think we did, J.R. may have, I  
1671 don't think so. I know I didn't, I just pulled them.

1672 . Q Now, I want to ask some questions about the memo  
1673 that mentioned the use of residuals for the freedom  
1674 fighters.

1675 . You told us during your interview that before you

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1676 came across that one, that you had read a couple of other  
1677 versions of that memo, is that correct?

1678 . A Yes, well, what I assume were a couple of other  
1679 versions.

1680 . Q Can you tell us about that, tell us about the first  
1681 version that you read of that memo.

1682 . A Tell you about it? I don't have, if you show me  
1683 the memo.

1684 . Q The problem is it was never provided to the  
1685 committee, we have never seen it. We have never seen--

1686 . A So.

1687 . Q You are the only one that we know.

1688 . A Only one that saw it.

1689 . MR. LEON: Wait, we have various versions of the  
1690 memo. What we don't know if whether or not any of those  
1691 versions are versions that Mr. Reynolds looked at. We have  
1692 various versions of that memo.

1693 . THE WITNESS: What I saw were my distinct  
1694 recollection was two, because I remember going back after  
1695 lunch and double checking it. Two other what I will call  
1696 versions of that memo, that had either the exact same or  
1697 virtually the same account of the events that were reported  
1698 in the memo that had the diversion, but stopped short of the  
1699 diversion entry.

1700 . What I am trying to remember is I think they both.

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1701 I think they both stopped short rather than jumped over. I  
1702 am trying to remember whether one of them stopped short and  
1703 the other just jumped over and had it all the same but for  
1704 that. I didn't copy them because my job was to get my arms  
1705 around what the facts were and I figured if I had one  
1706 document that had it all in there, why copy three documents  
1707 that gave me the same general information. That was a  
1708 redundancy, so I had copied only the most comprehensive one.

1709 But I recall very distinctly that the others were  
1710 virtually the same if not identical in terms of the other  
1711 information that was on the document.

1712 I think they stopped, I don't think that they, well  
1713 I can't remember now whether--jumped over or stopped at the  
1714 place where the diversion was inserted.

1715 BY MS. NAUGHTON:

1716 Q Did either, did both of the other versions that you  
1717 saw include the terms of reference?

1718 A Yes.

1719 Q Did either of the other two versions that you saw  
1720 contain a reference to the November '85 Hawk shipment?

1721 A If you let me have the one that I copied I can  
1722 answer that. I think the answer to that is yes, but, if it  
1723 was in the one I copied then yes, it was in the others.

1724 Q Well, it is not in the one that we have as a public  
1725 exhibit, which is why I am asking.

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1726 . A What is public exhibit?

1727 . Q Public exhibit.

1728 . A The one I copied?

1729 . Q EM, that is.

1730 . A That is one that had the diversion paragraph in it.

1731 . Q No, let the record reflect I am showing you EM-44,

1732 which is admitted in the public hearing.

1733 . A Okay.

1734 . Well this is not--okay--I think that my recollection

1735 is that the other document tracked this document that had

1736 the diversion in it.

1737 . Q To your knowledge then, what was the only

1738 difference in the other two versions that you saw as opposed

1739 to the one that you have?

1740 . A I think that the only difference is the insert,

1741 well, the paragraph at the top of page 5, that starts "The

1742 residuals funds from this transaction are allocated as

1743 follows."

1744 . Q After the paragraph.

1745 . A I think that is right. I think that, I think, what

1746 was, is in after the paragraph was also in the other two.

1747 Because, my recollection is, they have these, it is not

1748 bullets but the next best thing MSC uses dashes I guess and

1749 the residual fund is additional sort of another subparagraph

1750 and when I went back and examined this, compared it with the

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1751 other, it was a, what was missing was this insert that  
1752 relates to residual funds.

1753 . My recollection of the other two tracked almost  
1754 verbatim although I am not--the only thing that I recall that  
1755 I think was different is one of them, the September 14/13  
1756 was not slashed and so it read September 14th. In other  
1757 words, there was, it was not corrected. But I think  
1758 otherwise they were identical. Of course I did a quick kind  
1759 of look. I didn't track it word for word but I think it was  
1760 essentially if not identical, virtually identical for the  
1761 new item that related to the residual funds.

1762 . Q Specifically do you remember if there were two  
1763 versions mentioned of November 8 a Hawk shipment?

1764 . A I think they were just, they were as this is.

1765 . Q Now, if I could direct your attention then.

1766 . A They were--this is--

1767 . Q If I could direct your attention to the portion  
1768 where he describes what money will be deposited in the  
1769 account, page 2--the part that is highlighted in yellow  
1770 there.

1771 . A Right.

1772 . Q Was that in the other two versions which you  
1773 viewed?

1774 . A I think the answer is yes, it was.

1775 . Q If I could direct your attention to the last page,

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1776 the page requesting presidential approval.

1777 . A Although interestingly enough, I don't know why I  
1778 have this recollection but, my answer is yes. I think it was  
1779 but I recall this being at the top of page 3 rather than the  
1780 bottom of page 2. I don't know why I have that recollection  
1781 but I do recall the numbers, because I had, in reading this  
1782 I had made a comment to, when I first came across the first  
1783 of these three, I made a comment to J.R. about the price,  
1784 about the dollar amount.

1785 . My recollection was but it may be, it was top of  
1786 page 3. Yes, I think that answer, I am confident that that  
1787 was in there.

1788 . Q If I could direct your attention then to the  
1789 Presidential approval line, I believe it is at the end.

1790 . A Right.

1791 . Q Do you recall the Presidential approval portion  
1792 being on the two versions which you saw?

1793 . A Right.

1794 . Q Now, the versions which you saw before the page 5  
1795 diversion?

1796 . A Although there is a difference in that, my  
1797 recollection on the terms of reference in the other one had  
1798 "draft" written on it somewhere. I don't see that here.  
1799 Although I think it was the same, I am not sure that I made  
1800 as careful a comparison on that but I do recall that it had

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1801 'draft' on it.

1802 . Q The other two versions which you saw specifically

1803 regarding the Presidential approval section, did you know

1804 whether or not any of those had been filled in?

1805 . A It had not been filled in. There was no--no

1806 indication at all.

1807 . Q Did either of those two other versions have a cover

1808 memo?

1809 . A No. They were just like this.

1810 . Q Were either of them dated?

1811 . A No, but the term of reference was dated because I

1812 remember in reading it, and then seeing the term of

1813 reference that the break point that, this is sort of it has

1814 done this and up to through April 3rd then April 7 I think

1815 is the next date they pick up, they will do something and

1816 term of reference was April 4. I was and the basis on, yes,

1817 by Monday; that is why this entry you asked me about.

1818 . MR. LEON: Which one?

1819 . THE WITNESS: Which relates to the Iranian

1820 governmental transfer, 17 million.

1821 . MR. LEON: What page?

1822 . THE WITNESS: It's bottom of page 2.

1823 . Is one that stands out because entry before that

1824 was on April 3, so and so arrived in Washington and this was

1825 by Monday they will and the term of reference was April 4th

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1826 and I had noticed that in order to fix in my mind when these  
1827 were logically prepared and had determined it had to be  
1828 sometime between April 3 and April 7 given the content and  
1829 so that is why the April 3 and April 7 dates stood out, that  
1830 is why I say yes, I am confident that the paragraph you  
1831 referred to was one that was in there but that is also, even  
1832 further confirms my recollection it was up at the top  
1833 because I recall the break point being one that April 3rd  
1834 two pages what had happened, we started on another page what  
1835 will happen.

1836 BY MS. NAUGHTON:

1837 Q Were all three versions found in the same accordion  
1838 folder?

1839 A I think. You asked me this before. I think they  
1840 were all in the same accordion folder, they were not all,  
1841 this one, file, the one that you pointed to me that has the  
1842 reference to the residual funds, was in a manila folder that  
1843 was labeled. The other two were not in that same folder.  
1844 And I am trying to remember. My recollection was probably  
1845 better last time, they; I think they were all in the same  
1846 accordion folder although I am not totally--

1847 Q You say it was labeled. Do you recall what the  
1848 label was?

1849 A It had a read ME written on the side, and it said I  
1850 think it had a date on it, Iranian Matter or something like

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1851 that. But the thing that I recall most vividly, it had a  
1852 red ink on it.

1853 Q Do you recall what else was in the manila folder,  
1854 if anything?

1855 A I recall that there was another document in it. I  
1856 don't recall what it was. I do recall that it was not  
1857 something that I viewed as significant enough to copy. But  
1858 I just don't recall what it was. It may have been one or  
1859 two various, the document, the other documentation in it was  
1860 either a single page or a double page because it was in a  
1861 manila folder and whatever it was didn't impress me then,  
1862 and certainly doesn't now.

1863 Q Did this memo given that you dated it sometime  
1864 first week in April, did it appear to be in the right  
1865 chronological order vis-a-vis the other documents you found  
1866 around it?

1867 A I don't have any firm recollection that it looked  
1868 like it was out of place, but it was in a manila folder that  
1869 was behind a number [REDACTED] that were not in the  
1870 manila folder so, I am not sure that I can answer totally  
1871 what you are asking. I don't have a sense that it was  
1872 something that was shoved in totally out of place.

1873 Q Did the [REDACTED] concern activity in April of  
1874 '86?

1875 A Yes, [REDACTED] concerned activity through the '86 period

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1876 and whether it was March or April or May, I just don't know.  
1877 . Q The other versions of the memo you have before you,  
1878 in what section of that folder were they found?  
1879 . A Well, it wasn't sectioned off, it was a lot of  
1880 documents I was going through them and I didn't know in  
1881 those terms.  
1882 . Q Were they interspersed than [REDACTED]?  
1883 . A Yes.  
1884 . Q Now, did you see any other memos similar to this  
1885 regarding any other proposed shipment? In other words,  
1886 memoranda which described how the money would be paid and  
1887 how the residual funds would be used?  
1888 . A No.  
1889 . Q I will have the same question without asking about  
1890 residual funds, did you see any other memos which described  
1891 proposed shipments that were eminent?  
1892 . A Well, there were memos that had reference to  
1893 McFarlane's trip that certainly did discuss shipments and  
1894 you mean something other than [REDACTED]?  
1895 . Q Right. Let's take the February shipment first.  
1896 . A I think that, well--I don't know now, I am fairly  
1897 confident where we copy them you have them, but you are  
1898 asking me now whether there was a memo [REDACTED] on  
1899 discrete shipment and I don't have that kind of  
1900 recollection.

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1901 . Q What I am getting at, Colonel North testified  
1902 before the committees that he wrote such a memo as the ones  
1903 you have before you, before each planned shipment, and that  
1904 he wrote approximately five such memos. I am asking if in  
1905 your document reviews you saw any others like the one before  
1906 you?

1907 . A No, I don't, the other ones that I saw are the ones  
1908 that I described and I don't recall seeing similar type  
1909 memos relating to many of the shipments.

1910 . Q Do you recall seeing other memos asking for  
1911 Presidential approval on any aspects of the Iran initiative?

1912 . A Well, there was the mini finding documentation  
1913 relating to December of '85 and I think that there was, I am  
1914 trying to remember whether I saw that document in connection  
1915 with the document search or whether that is a document I saw  
1916 amongst some other documents that we had collected, but that  
1917 one had a similar, had a cover memo with a similar entry  
1918 with regard to Presidential approval or disapproval.

1919 . Q But can you remember whether or not you saw any  
1920 documents relating to the November '85 finding in your  
1921 document review of either Saturday morning, Saturday  
1922 afternoon or Sunday morning?

1923 . A I don't recall. As I said, I am trying to remember  
1924 when I saw which document, and there are an awful lot of  
1925 documents I have seen. The document I just described is one

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1926 that I saw and I have a recollection of seeing over that  
1927 weekend, what I am hesitating on is whether I saw it as one  
1928 of the documents in the MSC files that we searched or  
1929 whether it was a document that I saw otherwise. It could  
1930 have been a document that Chuck obtained from State  
1931 Department and shared with us in connection with a lot of  
1932 documentation that was being looked at at that time, and I  
1933 just, I am not clear in my own mind where that document  
1934 surfaced first.

1935 . Q The document before you, the one mentioning the use  
1936 of residuals, did that have a cover memo when you first  
1937 discovered it?

1938 . A No. I have been asked that question before. I  
1939 don't mean by you.

1940 . Q I want to get it in the record.

1941 . After you read page 5, of this memo, what did you  
1942 do?

1943 . A Well, as Chuck said it may have been a little more  
1944 graphic. I said holy cow or something to that effect.

1945 . Q Do you recall saying that out loud?

1946 . A I did react with a comment out loud which made John  
1947 Richardson look up.

1948 . Q Do you know if Colonel Earl heard you?

1949 . A I don't know whether he did or didn't, he was not  
1950 in the room at the time.

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1951 . . Q Do you know where he was?

1952 . . A He was in the next room.

1953 . . Q Was he in the upstairs office?

1954 . . A I don't think so, I think we right outside, we in a

1955 room with a table and I gather Ollie's desk, then there is a

1956 doorway and then there were two desks and, I think two desks

1957 and file cabinets and he was in that other room.

1958 . . MR. LEON: Was the door closed?

1959 . . THE WITNESS: No, in fact, no--I don't think there

1960 is a door there, I think it is just a passage way.

1961 . . MR. LEON: The door going outside. He has a door

1962 on his office.

1963 . . THE WITNESS: It wasn't closed.

1964 . . I don't think he heard, no, I didn't make a, didn't

1965 get up on table. And made, I made utterance that was

1966 certainly something that John Richardson heard.

1967 . . BY MS. NAUGHTON:

1968 . . Q What was Mr. Richardson's reaction when he read

1969 that?

1970 . . A The same.

1971 . . Q After that, did you two discuss it.

1972 . . A No, we, no.

1973 . . Not at all.

1974 . . Q Did you communicate in writing about it?

1975 . . A No.

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1976 . If we had, you would have asked me for the notes.

1977 . Q We have notes--

1978 . A You have them all, I promise you.

1979 . Q Now, do you recall how soon into your document

1980 search in terms of minutes or hours that you came across

1981 this memo that mentioned the use of residuals?

1982 . A No.

1983 . Q Can you give us an idea, one hour, three hours?

1984 . A No.

1985 . Q Do you recall how much longer you stayed?

1986 . A Anybody going through documents search will

1987 understand that answer.

1988 . Q Do you recall how much longer you spent reviewing

1989 documents until you went to lunch?

1990 . A From the time I found this?

1991 . Q Yes.

1992 . A No.

1993 . Q Okay, I anticipate when you found that memo you

1994 wanted it copied to take back with you, is that correct?

1995 . A Right.

1996 . Q And what did you do in order to see that that would

1997 be done?

1998 . A Nothing at that time.

1999 . Q What did you do with the document?

2000 . A Put it back in the folder where I found it, and put

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2001 it best in the accordion file. Wiped off all my  
2002 fingerprints.  
2003 . Q Why?  
2004 . A I figured that the best way to handle it was to  
2005 include that with a stack of documents that we were going to  
2006 have copied, and not to have it separately given to them to  
2007 copy.  
2008 . Q Why didn't you put in--  
2009 . [Witness conferring with counsel.]  
2010 . BY MS. NAUGHTON:  
2011 . Q Let the record reflect the witness has consulted  
2012 with counsel.  
2013 . Why did you put it in a stack where the other,  
2014 where you had put the other documents to be copied?  
2015 . A Well, it was obvious to me that this was a  
2016 significant document. It was also easy for me to retrieve  
2017 it because it was in a discrete manila folder that was  
2018 readily identifiable and I knew that we would be out of the  
2019 office for a period of time to go to lunch and it seemed to  
2020 me that the more discreet way to handle it was not to flag  
2021 the fact that we had found something of this nature.  
2022 . So out of an abundance of caution I put it back in  
2023 the folder.  
2024 . Q What were you afraid would happen if you put--  
2025 . A The cryptic comment about wiping off all the

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2026 fingerprints was a poor joke.

2027 . Q What were you afraid of/ what happened if you  
2028 designated it in the pile to be copied?

2029 . A It occurred to me that if, that if we were going  
2030 out to lunch that there might be a review on their part of  
2031 the documents that we had collected to have copied, and  
2032 until we had gotten through our document search this was a  
2033 new item, and I felt that it was smarter to not cull that  
2034 out and have it there for that kind of review.

2035 . Q When you said there, whom did you have in mind?

2036 . A I said what?

2037 . Q You said occurred to you that that, we could have  
2038 it read back, the word was there, I wanted to, for you to  
2039 identify who they would be that might--

2040 . A Well, Ollie North and Earl were the two, although  
2041 there was a third gentleman, I didn't get his name.

2042 . Q Jock?

2043 . A Jock Marfin, Sharfin, who relieved Earl who was  
2044 another, was the third individual that I saw over at that  
2045 office.

2046 . Q Are you sure he was there Saturday?

2047 . A Yes.

2048 . Q When you saw he relieved Earl, does that mean that  
2049 someone was designated there to be there while you were  
2050 reviewing documents?

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2051 . A I don't know.

2052 . Q What gave you the impression he was relieving

2053 Colonel Earl?

2054 . A Because he came on and Earl left.

2055 . Q Well, again my question, what made you think he was

2056 relieving him as opposed to just coming?

2057 . A Well, I don't know, I was not attaching any

2058 difference. I--what is the distinction?

2059 . Q Well, in my mind relieving somebody means you have

2060 the same duties and one shift leaves and another comes on.

2061 . A Well, what would be the difference between that and

2062 one going and the other coming?

2063 . Q Well, you might not have the same duties.

2064 . A Well, in Saturday office in afternoons that said

2065 only activity people sitting around looking at documents, I

2066 am not sure what duties they would have in mind. I don't

2067 know what their estimate was. I know one left and the other

2068 came and I assumed that if there were other people in the

2069 office not normally there on Saturday afternoon and it being

2070 an MSC complex, that the common sense way to handle it from

2071 their standpoint was to have somebody there available to

2072 assist us in our efforts and to be on location until we

2073 left.

2074 . I assumed Earl was performing that role as long as

2075 he was there, and then when he left Jock came in and did it.

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2076 . Q Did Jock help in the copying of documents?

2077 . A Yes, sir.

2078 . Q From the period you found the memo mentioning the

2079 diversion of funds, until you went to lunch, did you pick

2080 out any other documents for copying?

2081 . A Yes.

2082 . Q Did you put them in the separate pile?

2083 . A Yes, I think so.

2084 . Q Is the memo mentioning the diversion only the memo

2085 that you put back in its place that you had?...

2086 . A I think.

2087 . Q Intended to copy?

2088 . A I think that is right.

2089 . Q Now, by the time that you and Mr. Richardson left

2090 for lunch, can you give us an idea how many accordion

2091 folders you had gone through?

2092 . A I want to say two each, but, roughly two each I can

2093 say that. In that neighborhood.

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2094 RPTS DOTSON  
2095 DCMN PARKER  
2096 BY MS. NAUGHTON:  
2097 Q Do you remember approximately how many were on the  
2098 table?  
2099 A Six, seven, six or seven.  
2100 Q When you left to go to lunch, was Colonel Earl  
2101 still there?  
2102 A Yes, I think so.  
2103 Q Did you tell him that you were going to lunch?  
2104 A I think we did. North arrived just as we were  
2105 leaving. I can't remember. I mean I think the answer is  
2106 yes, but I am just trying to be accurate. I think we may  
2107 have said it just generally because I didn't report in and  
2108 out to him. My sense is that we indicated we were going to  
2109 lunch and he certainly was in earshot.  
2110 Q And what did Colonel North say to you, if anything,  
2111 when he arrived?  
2112 A Hello.  
2113 Q Had you met Colonel North before?  
2114 A Yes.  
2115 Q He knew who you were?  
2116 A Right.  
2117 Q Did you introduce Mr. Richardson?  
2118 A I am sure I did, or he introduced himself.

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2119 . Q Did North say anything else besides hello?

2120 . A I think there was an exchange of pleasantries, but

2121 I don't recall exactly what it was, and I don't recall even

2122 generally what it was.

2123 . Q Did you ask him for anymore documents at that time

2124 before you went to lunch?

2125 . A I don't recall that we did. I notice we had asked

2126 Earl, and I can't recall whether I indicated to Ollie that

2127 we were a little surprised about the volume in the 1985 part

2128 of the request, especially in light of what we got in 1986,

2129 and we had asked Earl to double-check whether there were

2130 more. I just can't recall whether that conversation took

2131 place or not.

2132 . It may well--there may well have been an exchange

2133 along those lines. There may also as well not have been,

2134 and I just don't recall. He was coming in as we were

2135 leaving, and we had to meet the Attorney General, and so it

2136 was not a situation where we had a lot of time to kill, and

2137 I just don't have a distinct recollection what that

2138 conversation was. I don't know whether that took place or

2139 not, but it was sort of a passing conversation.

2140 . Q When you left to go to lunch, did you take the two

2141 folders that you had reviewed and put them some place

2142 separately from the others you had not reviewed?

2143 . A I don't think we did. I think we just left

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2144 everything as were.

2145 Q Do you recall whether there were papers out of the  
2146 folders that you were reviewing or did you put everything  
2147 back in the folders before you left.

2148 A I think there were papers out of the folders. I  
2149 read where there was an exchange when we came back with Earl  
2150 about an empty folder on the table, and I had the vaguest of  
2151 recollection about that, but my sense was that was a folder  
2152 we had taken documents out of and left on the table and--so  
2153 that there were loose papers on the table.

2154 That is my general sense, but I have to admit I  
2155 don't have a specific recollection.

2156 Q Do you recall where you read that?

2157 A Yes. In Earl's deposition.

2158 MR. BOLTON: Which was made public by the  
2159 committee.

2160 THE WITNESS: Right. Well not only made public, it  
2161 was read over national T.V. or whatever by--who was it? One  
2162 of the members of the committee.

2163 MR. LEON: McCollum.

2164 MS. NAUGHTON: Only a portion of the deposition was  
2165 released. It is being released in its entirety today.

2166 THE WITNESS: That portion.

2167 MR. LEON: Relating to the investigation that  
2168 weekend.

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2169 THE WITNESS: That was one of the released  
2170 portions. That's all.

2171 BY MS. NAUGHTON:

2172 Q Did Colonel North mention to you before you left  
2173 for lunch any of his lunch plans?

2174 A No.

2175 Q Did he tell you whether or not it was his intention  
2176 to start work or to go some place or whether he was just  
2177 popping in for a minute, anything like that?

2178 A No.

2179 Q What about Colonel Earl, did he give you any sense  
2180 what he would be doing while you were at lunch?

2181 A No.

2182 Q Did you go directly to the Old Ebbitt, to lunch from  
2183 the White House?

2184 A We did.

2185 Q Was the Attorney General and Mr. Cooper there when  
2186 you arrived?

2187 A I think they--I think we all arrived about the same  
2188 time, it is my recollection.

2189 Q And when you sat down and began talking, do you  
2190 recall what was first discussed?

2191 A No, not in any kind of chronological order. I know  
2192 that we sat down and there was an exchange of their activity.  
2193 I think they recounted first their discussion. I am trying

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2194 | to remember whether it was Chuck or the Attorney General.  
2195 | And then we shared what we had found in the documents.  
2196 |       Q   Is there any reason why you didn't mention what you  
2197 | had found in that memo right off the bat?  
2198 |       A   Well, I--no. No one is going to jump off and leave  
2199 | within the first 5 minutes. Usually when the Attorney  
2200 | General pulls forth, I wait until he is through before I  
2201 | jump in.  
2202 |       Q   What was the Attorney General talking about?  
2203 |       A   The same general topic. I mean, on all of our  
2204 | discussions throughout that weekend were related to the  
2205 | information we were pulling together and what kind of story  
2206 | was unfolding, what he learned, what he learned.  
2207 |       MR. LEON: You are talking about the meeting with  
2208 | SporKin?  
2209 |       THE WITNESS: I am talking about the meeting with  
2210 | SporKin. Right. And I think there was further discussion  
2211 | about the Shultz meeting, because I had not talked to the  
2212 | Attorney General about the Shultz meeting.  
2213 |       BY MS. NAUGHTON:  
2214 |       Q   Do you remember them specifically discussing the  
2215 | SporKin interview at lunch?  
2216 |       A   I think there was, yes. I think there was  
2217 | discussion about what went on in that meeting.  
2218 |       MR. LEON: Do you recall in specifics, Mr.

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2219 Reynolds, if he commented about the fact Sporkin had  
2220 informed him there had been a finding in a memo in 1935?  
2221 THE WITNESS: I don't recall that specifically. I  
2222 recall that there was--that Sporkin had prepared a finding  
2223 and there had been some discussion relating to the  
2224 retroactive, possible retroactive force of such a finding,  
2225 whether that could or could not be done legally and whether  
2226 it made sense to do it or not, and Sporkin had been involved  
2227 in that set of discussions and in the activity of drafting  
2228 the finding.

2229 I don't have a specific recollection of him saying  
2230 or them saying that Sporkin had affirmed that a finding had  
2231 been signed.

2232 MR. LEON: No, I didn't mean to suggest that,  
2233 because, as I recall the Attorney General's testimony was  
2234 that morning was the first time that he had learned there  
2235 had even been a prepared finding back in November of 1985  
2236 and therefore I was just curious as to--I mean that was a new  
2237 revelation to him and a fairly substantial one.

2238 It raised new legal issues and I was wondering if  
2239 maybe he brought that out.

2240 THE WITNESS: That was discussed. And there was  
2241 some discussion on the whole retroactive question that was  
2242 raised in Sporkin's mind and everybody else's.

2243 BY MS. NAUGHTON:

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2244 . Q When you mentioned what you had read in the memo  
2245 that discussed the use of the residuals, why don't you give  
2246 us your version of what your reaction was.

2247 . A Well, the--there was a--I would say a look of  
2248 surprise on the Attorney General's face, and he said  
2249 something to the effect, "'Holy Toledo!'" It was probably a  
2250 little harsher than that. And Chuck reacted similarly.

2251 . Q What did the discussion attorney turn to then after  
2252 the expressions of surprise?

2253 . A Well, the discussion was really in terms of what  
2254 the memo did say--actually, there was that point that I made  
2255 and there was one other point that I referenced, which I  
2256 felt was also of some significance, which related to a  
2257 reference in the document that Kaddafi had undertaken to  
2258 obtain or was undertaking at the time of the reference. And  
2259 I am trying to remember what it was, but was trying to  
2260 obtain the hostages to put them on public trial, and then to  
2261 do all sorts of awful things to them and that major concern  
2262 on the part of the U.S. Government was that we get the  
2263 hostages before Kaddafi gets the hostages, and that was  
2264 reflected in some of the documentation I had read.

2265 . And I felt that was also a piece of information  
2266 that was markedly different than anything that had come out  
2267 relating to this whole affair. So I had also made specific  
2268 reference to that as well as to the residual funds, and the

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2269 discussion following that was a--there was some--the Attorney  
2270 General questioned as to whether the reference in the memo,  
2271 as to exactly what it was that was said, and my recollection  
2272 is, was--really went to whether the memo indicated that this  
2273 had happened and, if so, with respect to what the shipments,  
2274 and how much.

2275 . And my answer was that it was a rather cryptic  
2276 reference and it was all--it had reference to what was going  
2277 to happen in the period following April 7, and that the memo  
2278 did not indicate that it had indeed taken place and  
2279 therefore, and I had not come across any documentation up to  
2280 that point that suggested to me that this was indeed a fact,  
2281 but rather that it was something that somebody had put in as  
2282 an aspiration, and we would need to probe with North and  
2283 also need to further search the documents to get information  
2284 that indeed that reference had any substance to it as  
2285 opposed to just being one of the ideas that found its way  
2286 into a memo, and that discussion took place.

2287 . Q Did you discuss whether or not Colonel North wrote  
2288 it?

2289 . A No. I mean, I don't think there was a discussion  
2290 as to--I think--no, I don't--no, we didn't discuss that.

2291 . Q Was there any discussion of political indications  
2292 of what would transpire if indeed the diversion had been  
2293 done or accomplished?

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It never occurred to ON that diversion was criminal - &  
bec. y Cryptomix & paranoia, 1144 no one ever checked it.  
How & where & h w learned that it was illegal?

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2294 . A Well, there was a recognition it was politically  
2295 significant, and that probably understates the assessment.  
2296 And there was certainly a recognition stated that in fact we  
2297 would need to explore with everybody involved up to and  
2298 including the President regarding this matter and who had  
2299 knowledge, if indeed it took place, and where the direction  
2300 came from.

2301 . I need to go back, though, and revise something, I  
2302 guess, because in looking at Chuck's chronology, it looks  
2303 like we met with Sporkin after the lunch rather than before  
2304 the lunch, so my recollection of that discussion must be  
2305 confused in time, so we must have had the discussion on the  
2306 Sporkin thing--I remember having the discussion I indicated,  
2307 but indeed if they met after lunch, it would have been  
2308 another time.

2309 . MR. LEON: I believe the testimony was, and I will  
2310 stand corrected if I am wrong, but I believe the testimony  
2311 was that it was in the morning.

2312 . MS. NAUGHTON: We shouldn't debate it on the  
2313 record. There is a severe discrepancy as to when it took  
2314 place. That is why I asked if indeed at lunch you remember  
2315 discussing the Sporkin--

2316 . THE WITNESS: My recollection is that that  
2317 discussion took place, and my recollection is that there was  
2318 discussion at lunch relating to to the matter we talked

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2319 about, but again, trying to put a time frame on each of  
2320 these discussions which were ongoing and regular throughout  
2321 that weekend, it is very hard for me.

2322 . So, if indeed he met with Sporkin after lunch, then  
2323 I had discussion with the A.G. and Chuck after we got back  
2324 to the department.

2325 . MR. BOLTON: Let me just ask if we can--we are  
2326 around 4:30. How much do you think you are going to have?  
2327 Is there a chance of finishing before 5:00?

2328 . MS. NAUGHTON: No, we won't finish before 5:00.

2329 . MR. BOLTON: How much longer do you think you have?

2330 . MS. NAUGHTON: I would say another hour and a half  
2331 to two hours that I have.

2332 . MR. MCGOUGH: I probably have 45 minutes.

2333 . MR. LEON: Maybe I have a half hour.

2334 . MR. BOLTON: Don't see any reason not to terminate  
2335 this at 5:00 and--

2336 . MS. NAUGHTON: Can we go off the record?  
2337 . [Discussion held off the record.]

2338 . BY MS. NAUGHTON:

2339 . Q Did you discuss at the lunch on Saturday whether or  
2340 not to interview Colonel North right away; that is, on  
2341 Saturday afternoon?

2342 . A No, not in those terms. It was clear we wanted to  
2343 interview North and the interviews were really set up across

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2344 the board in a way that would accommodate everybody's  
2345 schedule, and so the Attorney General basically was calling  
2346 the different people and saying, 'When can you meet?' And  
2347 when they could meet we would meet.

2348 . Our sense was that the North interview ought to be  
2349 at the end of the interviews rather than at the beginning or  
2350 in the middle. And the more documents we could review and  
2351 the more people we could interview before we talked to  
2352 North, we felt the more productive the interview would be  
2353 with North, because we could do it on a more informed basis,  
2354 and therefore hopefully have a better ability to sort of fit  
2355 all the pieces of this puzzle together.

2356 . So there was not a discussion as you have asked the  
2357 question, although it was certainly discussed that this was  
2358 an item that we would want to talk to North about.

2359 . Q Well, was it discussed when you actually would be--

2360 . A Again, this is trying to put in place a time  
2361 capsule over a weekend that was very hectic and things were  
2362 happening one on top of the other. I know that the Attorney  
2363 General made a call to line up the meeting and that he  
2364 arrived at the Sunday afternoon, after North said he wanted  
2365 to go to church on Sunday morning with his family. Now  
2366 exactly when that was done, I'm not sure whether it was  
2367 before we met for lunch, and he reported that at lunch or  
2368 whether it was after the lunch break, and he reported to the

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2369 | next time we got together.

2370 |           My distinct recollection is when I saw Ollie

2371 | Saturday afternoon after lunch he announced that he was

2372 | going to meet with us Sunday afternoon. Now, whether that

2373 | was immediately when I got back or at some point that

2374 | afternoon, because he at one point suggested to John and I,

2375 | while we were doing documents, that maybe we would like to

2376 | ask him some questions.

2377 |           My answer was that I thought probably it was best

2378 | to wait until we could all get together with the Attorney

2379 | General so he could give his answers once rather than twice.

2380 | Therefore, I felt it would not be a good idea for us to have

2381 | any side bar discussions Saturday afternoon. At that point

2382 | either he said or I had been advised over lunch that the,

2383 | that the meeting would take place at 2 o'clock on Saturday

2384 | afternoon.

2385 |           So I just can't tell you the time frame. I can

2386 | tell you that at some point Saturday I was aware that that

2387 | meeting had been set up for 2 o'clock in the afternoon.

2388 |           Q   When you said you told North that it would be

2389 | better for him to be interviewed by the Attorney General,

2390 | had he then--had arrangements already been made? In other

2391 | words, did he inform you that he had already made

2392 | arrangements for that, or did he then call the Attorney

2393 | General and make arrangements?

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2394 MR. BOLTON: I am going to object to your  
2395 characterization in that question as to what Mr. Reynolds  
2396 testified to. I think what he testified what he said to Mr.  
2397 North was in order to avoid answering the same questions  
2398 twice they might wait for the interview with the Attorney  
2399 General, not that it was better the Attorney General  
2400 interview him.

2401 I think you can ask your question not subject to  
2402 the objection by recharacterizing it.

2403 BY MS. NAUGHTON:

2404 Q Mr. Reynolds, can you answer the question?

2405 A I think I tried to answer it just before. I don't  
2406 have a distinct recollection as to when I first acquired  
2407 knowledge that the meeting was going to be taking place at 2  
2408 o'clock on Sunday. I know that I learned of that either  
2409 from the Attorney General or from North, and at the time  
2410 that he and I had that conversation about answering  
2411 questions on Saturday afternoon, I was aware that there was  
2412 a 2 o'clock meeting scheduled for Sunday.

2413 Q Were you present in the room when the, when Colonel  
2414 North spoke to the Attorney General?

2415 A I don't know. Not that I am aware of. But he had  
2416 a lot of phone calls Saturday afternoon, and I am not sure  
2417 who was on the other end of most of them. There is only one  
2418 I know--there is one I know for a fact was on the other end.

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2419 There is another he told us who was on the other end.

2420 . Q Now, when you came back to the Old Executive Office

2421 Building, was Colonel North in his office?

2422 . A Yes, I think he was. I think he was.

2423 . Q Did he let you in?

2424 . A I don't recall whether he did or Earl did. I think

2425 Earl was still there then. I think Jacques relieved him or

2426 Jacques came and he left. I don't remember who opened the

2427 door.

2428 . Q Did Colonel North indicate to you in any manner

2429 what he had done over the lunch break?

2430 . A No.

2431 . Q When you got to the table he had been working, did

2432 you notice whether or not any documents were misplaced or in

2433 any way disturbed from how you had left them when you left

2434 them?

2435 . A My--I don't think that they were touched. There

2436 were additional documents on the table, however. I think

2437 there were two additional folders or one and a half, and

2438 they were related to the 1985 period, and we were told, I

2439 think by Ollie, that they had been documents that were in

2440 his files relating to 1985 that they had found or that they

2441 had inadvertently put out.

2442 . Q What did they consist of, to your knowledge?

2443 . A [REDACTED] memos, some correspondence

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2444 | generally relevant to various arrangements, activities.  
2445 |     Q   Did you see in any of the documents that you  
2446 | reviewed any travelers checks or ledgers for expenses?  
2447 |     A   No. Although I think there was a memo, I think  
2448 | there was some reference to some expenses related to the  
2449 | McFarlane trip, and--but I am not real clear on that either.  
2450 | But, no, the answer, I don't really recall. Certainly there  
2451 | were no travelers checks and I don't recall any ledger as  
2452 | such, but I do think, my recollection is there was some  
2453 | reference in a memo to some costs associated with the  
2454 | McFarlane trip.  
2455 |         I think that is right.  
2456 |     Q   Did you see any handwritten notes on spiral  
2457 | notebook paper?  
2458 |     A   No.  
2459 |     Q   Did you see any telephone logs or telephone message  
2460 | slips?  
2461 |     A   No.  
2462 |     Q   My question is going to apply to the entire  
2463 | afternoon of Saturday afternoon. Can you give us an idea of  
2464 | your various encounters with Colonel North and what he said  
2465 | to you or might have asked you and what your response was?  
2466 |     A   What he did under my nose?  
2467 |     Q   Yes. No--first, let's confine it to just your  
2468 | interaction with Colonel North and then we will ask about

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2469 his telephone conversations with others.

2470 . A Well, we were in his immediate office, and he spent  
2471 a lot of time at his desk reading the newspaper and offering  
2472 his observations on the accuracy or inaccuracy of the news  
2473 accounts of his activity, on the phone a good part of the  
2474 time and looking at some documentation and I think it is  
2475 fair to say that he stayed at his desk the overwhelming  
2476 majority of that time. We got up together and went to get  
2477 some coffee at one point, which was simply to the other room  
2478 in the same complex of offices, and he did get up and left  
2479 the room once for a period of maybe three to five minutes, I  
2480 think, to go to the rest room.

2481 . And he got up and walked out and talked to <sup>Jock</sup>~~somebody~~  
2482 once or twice, but most of the time he stayed at the desk.

2483 . Q Did Colonel North use a shredding machine in your  
2484 presence?

2485 . A No.

2486 . Q Do you know whether or not the shredding machine in  
2487 his office complex was working?

2488 . A I have no personal knowledge. I am told that Earl  
2489 advised North that it was not, that it was jammed and not  
2490 working.

2491 . Q Who told you that?

2492 . A Mr. McCollum, I guess, that read the transcript of  
2493 Earl.

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2494 . MR. BOLTON: Appealed to the listening audience.

2495 . THE WITNESS: Right. Earl testified in his

2496 deposition that was the case and McCullom read that in the

2497 hearings.

2498 . MR. LEON: During the testimony of Mr. Meese.

2499 . THE WITNESS: During Mr. Meese's testimony.

2500 . BY MS. NAUGHTON:

2501 . Q Did anyone, that is Colonel Earl or anyone else at

2502 the MSC, use the shredding machine in your presence?

2503 . A No.

2504 . Q Did you hear Colonel North or Colonel Earl refer to

2505 going anywhere else to use a shredding machine?

2506 . A No.

2507 . Q Did you happen to notice the bag in the shredding

2508 machine and whether or not it was full?

2509 . A I noticed the bag in the shredding machine. My

2510 recollection is it was not full, but I won't say it was

2511 empty. My impression is that the shredding machine had been

2512 used, but I don't think that it would be fair to say that

2513 the bag was full. I don't think it was empty, either. I

2514 think there was debris in it.

2515 . Q Other than the conversation you mentioned where

2516 Colonel North invited you to ask him questions, did he

2517 volunteer any information during that afternoon while you

2518 were reviewing documents?

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2519 . A Volunteer information?

2520 . Q In other words, did he come over and chat with you

2521 on any subject?

2522 . A Well, as I say, he was at his desk and he was about

2523 as far away as this chair was from this desk--

2524 . MR. LEON: Could you give us an approximation in

2525 feet for the record?

2526 . THE WITNESS: Well, the front of his desk was all

2527 of 3 feet away from where I was sitting. He was on the

2528 other side of the desk. He did make remarks from time to

2529 time to us. As I say, he made some remarks about news

2530 accounts in the paper. He had a phone conversation with, as

2531 I identified the other speaker, Mir, while we were there,

2532 and then after that phone conversation shared with us that

2533 Mir was as perturbed by the news account as Ollie was and

2534 had every reason to be.

2535 . He had a phone conversation with Paul Thompson and

2536 I know that to be the case because he handed me the phone

2537 after he talked to Paul for about 5 minutes and Paul advised

2538 me he had searched the chron file of McFarlane and had found

2539 nothing. And I think that there may have been some exchange

2540 of some remarks after that, some conversations, but I don't

2541 recall what they were.

2542 . BY MS. NAUGHTON:

2543 . Q Do you recall what North said to Thompson while he

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2544 was talking to him?

2545 . A No. It was some light comment on the events as  
2546 they were unfolding and the misinformation, the fact that  
2547 nobody--I only have one side of it, but that nobody seemed to  
2548 accurately have a full picture of what was really involved  
2549 in the Iranian situation, but nothing that was any more  
2550 revealing than that. He did, in his conversation with Mir,  
2551 he did go into code after about 10 minutes of regular  
2552 discussion.

2553 . He had about 5 minutes of a talk in whatever the  
2554 code words were.

2555 . Q Did he use the term, "Beethoven?"

2556 . A He may have. There were a lot of sort of strange  
2557 terms, but I can't say. I won't testify under oath that he  
2558 did, but it wouldn't surprise me if that was one the terms  
2559 used.

2560 . Q Do you recall him telling Mr. Mir that--

2561 . A If you tell me what Poindexter's code name was.

2562 . Q That was Beethoven.

2563 . A He did use ~~that~~.

2564 . Q How do you know that that was Poindexter?

2565 . A Because the, it was--I don't know whether he did it  
2566 on purpose, but he basically used them. He was talking and  
2567 he said--he was talking in code and then all of a sudden he  
2568 said, "Poindexter," and then said, "I mean Beethoven."

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2569 I dann near fell out of the chair and looked at John and go  
2570 like that and John went like that. And so if Poindexter was  
2571 Beethoven, he did use that, yes.

2572 . It was really quite amusing. I mean I assumed he  
2573 wanted me to know Poindexter's name was Beethoven.

2574 . MR. LEON: You don't remember Beethoven separately  
2575 apart from that? It couldn't have been Mozart to stand for  
2576 Poindexter?

2577 . THE WITNESS: Whatever it was, he used. I can't  
2578 remember now what it was, but I remember noting that and  
2579 kind of an amused conversation after the fact. Obviously  
2580 Ollie wanted us to know what Poindexter's code name was. It  
2581 didn't just slip out, and I thought that was kind of  
2582 amusing. But I think--I mean Beethoven does ring a bell. So  
2583 I think if that was Poindexter's name, that would be--

2584 . MR. BOLTON: On that note, we are getting close to  
2585 5 o'clock. If it is convenient to break here, why don't we  
2586 do that.

2587 . MS. NAUGHTON: Yes.

2588 . MR. MCGOUGH: Were the telephone calls on a secure  
2589 phone of any kind?

2590 . THE WITNESS: I don't know. My impression is that,  
2591 no, they were not. I don't think that he was talking on a  
2592 secured phone. And I don't recall--I think that it is. I  
2593 think it is accurate to say he did not have a phone call on

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2594 a secured phone while I was there.

2595 . MR. MCGOUGH: Thank you.

2596 . THE WITNESS: Now, having said that, if there is a

2597 direct secure line between Paul's office and his office, I

2598 wouldn't--that might have been.

2599 . BY MS. NAUGHTON:

2600 . Q Do you recall how many terminals, computer

2601 terminals were at Colonel North's desk?

2602 . A No. I mean I know there was one at his desk.

2603 There was an area upstairs that I never went up to and I

2604 don't know whether they had a terminal up there or not. I

2605 don't think there was a terminal on the desk out in the

2606 reception outer office.

2607 . Q Do you recall how long you stayed?

2608 . A Oh boy, John, I think, noted that down, too. And I

2609 just don't know what the time was. I want to say 6:00--I

2610 want to say something like 6:30 or 6:00, but it would be--I

2611 think he has recorded that, and it is accurate whatever he

2612 recorded.

2613 . Q I had a question about copying the documents. I

2614 take it you left with copies of some documents that you

2615 designated.

2616 . A Yes. When we left we had copies of every document

2617 that that day we had designated as for copying.

2618 . Q When you came back from lunch, then, did you have a

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2619 separate stack of documents to copy that you had set aside  
2620 for the moment?

2621 . A Right.

2622 . Q When you came back from lunch, did you put the memo  
2623 mentioning the diversion of funds into that pile?

2624 . A I am not sure whether I put it into that pile or  
2625 with some of the other ones that I was looking at and had  
2626 copied later on after lunch.

2627 . Q So it could have been in with the morning documents  
2628 or with the afternoon documents?

2629 . A Right.

2630 . Q Do you recall who copied the documents?

2631 . A Yes. I think <sup>Jock</sup> ~~Jarvis~~ copied the documents.

2632 . Q <sup>Jock</sup> ~~Jarvis~~?

2633 . A Yes.

2634 . Q Is he the only one who copies documents?

2635 . A I think that is right. Although my recollection  
2636 also is that Ollie copied one handful of documents.

2637 . Q Do you remember which handful that was?

2638 . A No. But if you are wondering whether it included  
2639 the memo, I didn't have the nerve to try that one. No, it  
2640 was a handful of documents, but it did not include the memo  
2641 that became so significant.

2642 . Q How do you know that?

2643 . A Because I did not hand him that memo.

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2644 . MR. LEON: Purposefully.

2645 . THE WITNESS: That's right. Absolutely.

2646 . BY MS. NAUGHTON:

2647 . Q Do you know whether or not Mr. Richardson copied

2648 any documents?

2649 . A No, he did not.

2650 . Q Do you know--

2651 . A Well, he had documents copied if--I mean when you

2652 say--I am not exactly sure what your question is now that I

2653 think about it.

2654 . Q Did he personally put them on a machine?

2655 . A No, he did not.

2656 . Q Do you know whether or not Colonel Earl copied

2657 documents?

2658 . A I don't think he did, but I am not--I am trying to

2659 recall now whether Earl, when Earl left, and--is his name

2660 Sharif<sup>in</sup>?

2661 . MR. LEON: Sharif<sup>in</sup>.

2662 . THE WITNESS: It may be that Earl<sup>in</sup> copied some

2663 documents early in the afternoon when he left, if he was

2664 there, and I just can't remember that.

2665 . BY MS. NAUGHTON:

2666 . Q Do you recall, were any documents copied in the

2667 morning?

2668 . A No.

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2669 . Q I don't think there were. My recollection is no  
2670 there were no documents copied in the morning.

2671 . Q And of the ones you had copied, can you give us an  
2672 idea of how thick a stack that was?

2673 . A For Saturday?

2674 . Q Yes.

2675 . A I would say two inches, three inches, between two  
2676 and three inches.

2677 . MR. LEON: Can you do it with your index finger?  
2678 Half of an index finger?

2679 . BY MS. NAUGHTON:

2680 . Q Do you recall which of you, that is you or Mr.  
2681 Richardson, took possession of the documents Saturday  
2682 morning?

2683 . A He did. We both took them back--I mean we went back  
2684 together and it was decided that we would have John be the  
2685 repository for the documents and we would lock them in the  
2686 safe, and so all the documentation was basically given to  
2687 him. I think at some point he and John McGinnis  
2688 collaborated on what we were going to do with documentation  
2689 because John had picked up some [REDACTED]

2690 . MR. BOLTON: John McGinnis.

2691 . THE WITNESS: John McGinnis had picked up some  
2692 [REDACTED] and brought them back from his review the night  
2693 before, and so, you know, who technically wound up being the

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2694 custodian I am not sure, but I gave them to John Richardson,  
2695 and I think he was the person who basically was coordinating  
2696 the document retention activity.

2697 . BY MS. NAUGHTON:

2698 . Q Did Colonel North leave with you that evening, I  
2699 mean leave his office?

2700 . A I think so. I think he locked up, we went out  
2701 together, and he locked up. I think that is right.

2702 . Q Was he specifically waiting for you to finish, or  
2703 did you get the sense that he just happened to finish his  
2704 work at the same time?

2705 . A I don't get the sense that Ollie just happened to  
2706 do anything. My sense is that he was going to leave when we  
2707 left and not before. But I don't know that for a fact.

2708 . Q Did you indeed see him actually leave? In other  
2709 words, drive away in his car?

2710 . A No, I did not see that.

2711 . Q Where did you last see him on Saturday?

2712 . A I think in the hall, I think after--I am trying to  
2713 remember now, but I think it was in the hallway. My sense  
2714 is we went one way and he went the other.

2715 . Q Did you drive back with Richardson to the  
2716 department?

2717 . A I believe so.

2718 [Discussion off the record.]

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2719 [Whereupon, at 5:00 p.m., the deposition was adjourned, to

2720 reconvene at 2:00 p.m., Tuesday, 1 September 1987.]

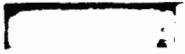
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**Committee Hearings**

of the

**U.S. HOUSE OF REPRESENTATIVES**



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1 DINKEL  
2 MILTON

3  
4 DEPOSITION OF WILLIAM BRADFORD REYNOLDS

5 (CONTINUED)

6  
7 Tuesday, September 1, 1987

8  
9 U.S. House of Representatives,  
10 Select Committee to Investigate  
11 Covert Arms Transactions with Iran,  
12 Washington, D. C.

13 The deposition was taken at 2:05 p.m., in Room B-352,  
14 Rayburn House Office Building, Pamela Naughton presiding.

15 Present: On behalf of the House Select Committee:  
16 Pamela Naughton and Richard Leon.

17 On behalf of the Senate Select Committee: Thomas  
18 McGough.

19 On behalf of the Witness: John Bolton, Department of  
20 Justice.

21  
22  
23  
24  
25  
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2

C O N T E N T SDEPOSITION OF:PAGE

William Bradford Reynolds

By Ms. Naughton

3

By Mr. Leon

26

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3

1 MS. NAUGHTON: Do you want to re-administer the  
2 oath?

3 THE REPORTER: No. You are still under oath.  
4 Whereupon,

5 WILLIAM BRADFORD REYNOLDS  
6 was recalled as a witness and, having been previously duly  
7 sworn, was examined further and testified as follows:

8 EXAMINATION ON BEHALF OF  
9 THE HOUSE SELECT COMMITTEE

10 BY MS. NAUGHTON:

11 Q This is a continuation of the deposition of  
12 Mr. Reynolds; and I guess when we last left you, Mr. Reynolds,  
13 you had ended your activity on Saturday, the 22nd, regarding  
14 the weekend inquiry. I want to take it up again on Sunday  
15 morning, the 23rd of November, 1986.

16 Do you recall what you did after leaving your home  
17 on Sunday morning, the 23rd?

18 A My recollection is I went to the White House and --  
19 directly, as a matter of fact. I think I had clearance to  
20 park and went back to the NSC office of Oliver North and  
21 continued with a review of documents.

22 Q Was Mr. Richardson there when you arrived?

23 A I don't recall. I think -- I think the answer --  
24 I think he was, but I'm not sure which one of us arrived  
25 first. I believe he -- I think he got there first.

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1 Q Do you recall about what time you arrived?

2 A No. I want to say 9:30, 9:45, a little before that

3 or after that. I just don't recall.

4 Q And when you arrived, where were the documents that  
5 you had yet to examine?

6 A On the table.

7 Q Okay.

8 A On the same table that they were on when we left.

9 Q Did they appear to have been changed or disturbed  
10 in any way?

11 A Not that I noticed.

12 Q Were all the documents in their folders or were  
13 there some spread out on the table?

14 A I believe they were in manilla folders, but I don't  
15 have a clear recollection of that. There may have been some  
16 on the table.

17 Q Now, when you began your document review on Sunday  
18 morning, did you take notes, any notes of the documents you  
19 were reviewing?

20 A No.

21 Q Did you set some of those aside for copying?

22 A Yes.

23 Q Do you recall which ones, offhand?

24 A No.

25 Q Do you recall approximately how many?

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- 1 A No.
- 2 Q Was it a one-foot stack, a one-inch stack?
- 3 A I don't have any recollection. It was between one
- 4 inch and one foot, I suspect.
- 5 Q Do you know who was there other than yourself
- 6 and Mr. Richardson?
- 7 A Jock was there and I think that was all. In fact,
- 8 I'm fairly confident that was all.
- 9 Q So Colonel Earl was not there on Sunday that you
- 10 can recall?
- 11 A No.
- 12 Q Colonel North was not there Sunday morning?
- 13 A No.
- 14 Q Who was it that actually did the copying then of
- 15 the documents that you set aside?
- 16 A Jock did the copying.
- 17 Q Was the shredding machine in use at all on Sunday
- 18 morning?
- 19 A No.
- 20 Q Did you --
- 21 A It was not in use at any time that I was over
- 22 there, Saturday or Sunday.
- 23 Q Could you tell us generally the documents that you
- 24 reviewed Sunday morning, what they consisted of?
- 25 A Largely [REDACTED] some memoranda, some

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1 correspondence. I think that they were in the time frame of  
2 '85 and early '86. I believe it was probably the latter  
3 part of '85 and the early part of '86, chronologically.

4 Q Did you see any other documents that reflected the  
5 use of residual funds from the Iranian arms sales for the  
6 benefit of the contras?

7 A No.

8 Q Did you see any documents that referred to the  
9 contras or the freedom fighters in Nicaragua in your review  
10 Sunday morning?

11 A I don't have any specific recollection of any.  
12 On the other hand, you know, there may well have been some  
13 reference in one of the documents or another of the documents  
14 to something like that, but I don't have any clear recollec-  
15 tion; nothing having to do with funding.

16 Q Did you ask Jock or anybody else or did you contact  
17 anybody else with the NSC to obtain any of Colonel North's  
18 documents regarding his activities vis-a-vis the contras?

19 A No.

20 Q Is there any particular reason why you did not  
21 ask to see those documents?

22 A Well, we had already asked several times North  
23 and Earl and I believe also in the presence of Jock Scharfen --  
24 S-c-h-a-r-f-e-n -- and also in his presence, we had asked  
25 several times for all documents in the files of the NSC

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1 relating to the Iranian arms initiative, as I guess you  
2 described it last time we were together; and I think that  
3 that -- it would be fair to say, as broadly as you defined  
4 it the last time we were together, so that I felt confident  
5 if there were any other documentation, if there was any other  
6 documentation that might relate to residual funding tied to  
7 the Iranian activity, we would have obtained those documents;  
8 they would have provided that in response to the request we  
9 had already made.

10 Q Did you make any request subsequent to finding the  
11 "diversion memo" on late Saturday morning?

12 A Yes. In terms that I just described, we did;  
13 Saturday afternoon.

14 Q And whom did you ask Saturday afternoon?

15 A North and Earl, I think at that time. Well, I'm  
16 not sure who was there. I don't know whether Scharfen or  
17 Earl was -- I don't know which of the two was there in the  
18 afternoon, right after we came back from lunch. My recollec-  
19 tion is Earl left and that Scharfen was the person right  
20 after lunch; but it may well have been Earl was there  
21 briefly after the luncheon break and then was left and  
22 Scharfen came on.

23 But whichever of those two, or both of them, was  
24 there and North, were asked after we came back from the  
25 luncheon break, they had indicated that they had made

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1 available to us additional documentation in '85, which indeed  
2 they had, and we again made the -- asked whether this was all  
3 the documentation and asked them to be sure that if there was  
4 any additional documentation, that we wanted it.

5 Q For the Iranian initiative?

6 A For anything that might relate to activities  
7 pertinent to the Iranian arms activity, sure.

8 Q After you found what we called the diversion memo,  
9 did you specifically ask Colonel North, Colonel Earl,  
10 Commander Thompson or anybody affiliated with the NSC for  
11 documents relating to the freedom fighters in Nicaragua?

12 A We made no request such as you just made.

13 Q Okay. Do you recall how long you were at the  
14 NSC Sunday morning reviewing the documents?

15 A I think probably until around noon. Again J.R. --  
16 John Richardson -- I think noted specifically what the timing  
17 was, and I accept his notation or his indication of that,  
18 because I think he wrote it down.

19 Q And what was done with the documents when you left  
20 the NSC?

21 A Well, the ones that had been produced -- we did  
22 not finish the document review by the time we left on Sunday.  
23 There were additional documents to be reviewed; and so we  
24 left with the understanding that the documents would remain  
25 on the table and that was all of the ones, not just -- not

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1 just that group that we hadn't reviewed, but that they would  
2 leave the documents in place so that we could come back and  
3 do a further review.

4 I think that we at that time had indicated it would  
5 be on Monday, not later that evening, in other words. And  
6 then the documents that we had copied, we took with us, or we  
7 took the copies with us.

8 Q Do you know if indeed anybody came back on Monday  
9 to do further document review?

10 A I am not sure. John Richardson was the one who was  
11 going to come back and I don't know whether he returned on  
12 Monday or Tuesday. I know things were pretty jam-packed on  
13 Monday with a whole lot of other activities. I am not  
14 altogether certain he got back on Monday. I have a recollec-  
15 tion he didn't get back until Tuesday; but I'm not real  
16 clear on that. He can testify better than I can on that  
17 point.

18 I did not go back, because I got involved in doing  
19 a lot of other things, plus I had other responsibilities at  
20 the Department.

21 Q Can you recall which category of documents you  
22 left unreviewed?

23 A Well, the documents weren't categorized as such.

24 Q Can you categorize them by time period?

25 A Generally speaking, the documents still to be

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1 reviewed -- we were moving from 1986, November of '86, back-  
2 ward; and so the documents to be reviewed were in the '85  
3 time frame, but whether that would include also some docu-  
4 ments in early '86, I don't know. Because John and I simply  
5 divided the documents up and were reviewing different folders  
6 as we went. I'm not sure how far back he had gotten. I think  
7 they were largely in the '85 time frame, though.

8 Q When you left the NSC, was Jock the only person  
9 there?

10 A Yes.

11 Q Did you go straight from the Old Executive Office  
12 Building to the Department of Justice?

13 A Yes.

14 Q And did Mr. Richardson go with you?

15 A I believe he went in his car and I went in my car.  
16 I think that's right. I can't remember.

17 Q Can you tell us what happened when you got to the  
18 Department of Justice?

19 A We met with the Attorney General and Chuck. I  
20 guess that was about 12:30.

21 MR. LEON: Chuck Cooper, Mr. Reynolds?

22 THE WITNESS: Chuck Cooper. I'm sorry. Charles  
23 Justin Cooper.

24 BY MS. NAUGHTON:

25 Q And what was that meeting about?

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1           A     It was to, basically, review what had transpired  
2 that morning in terms of our document review and Chuck had  
3 had some meetings with people over at the CIA and so there  
4 was a general discussion of those events, and then some  
5 discussion of the upcoming meeting with North that was  
6 scheduled for, I think, 2 o'clock.

7           Q     What did Mr. Cooper tell you about his meetings  
8 at the CIA?

9           A     I think my only recollection of that is that there  
10 was -- he reported about some discussion that he had had  
11 regarding the proprietary flight that had been used to move  
12 the November, '85, missiles in that aborted transfer; and  
13 some of the mechanics as to who had been contacted and then  
14 what efforts had been made to obtain a proprietary in order  
15 to -- in order to put that flight together. And I don't  
16 have anything more specific than that, except that was the  
17 general nature of his report, and he had had some conversa-  
18 tions with people over at CIA on that, relating to that  
19 matter.

20          Q     Did he come away with any sort of conclusion or  
21 suggestions regarding the November, '85, shipment and what  
22 yet needed to be done? In other words, questions that needed  
23 to be asked of North or further questions that remained  
24 unanswered?

25          A     Oh, I am sure he did. I am sure we all did.

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1 Q Do you recall what any of those were?

2 A No.

3 Q Regarding the North interview, could you tell us  
4 what the discussion was regarding -- what happened when North  
5 came to be interviewed?

6 A Wait a minute. The discussion, what? What was  
7 the question?

8 Q Regarding the North interview, did you discuss  
9 what questions you were going to ask him?

10 A Oh, yes. We had quite a -- yes. I think we had  
11 quite an extended discussion of the kinds of things we wanted  
12 to ask him.

13 Q Can you tell us about those discussions?

14 A No. I don't have a real clear recollection of  
15 that.

16 Q Were there any written documents prepared regarding  
17 questions to pose to North?

18 A Not to my knowledge.

19 Q Did you ever see any?

20 A No. Before the fact? No.

21 Q Did you make a list of questions during the  
22 discussions?

23 A During which discussions?

24 Q The discussion after noon, at about 12:30 p.m.,  
25 with Mr. Cooper in the Attorney General's office?

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1 A I didn't, no.

2 Q Do you know if anybody did?

3 A I don't recall, but somebody could have had a  
4 pad in front of them and written down some things. I don't  
5 have any recollection of seeing that, but if somebody did  
6 that, then it wouldn't surprise me.

7 Q Were there any specific areas that you wanted to  
8 concentrate on in your questioning of Colonel North?

9 A Well, there was obviously ~~the matter of the~~ residual  
10 funds which was something we wanted to concentrate on. There  
11 was the November aborted shipment that we obviously wanted  
12 to ask about. And he had prepared quite an extensive chrono-  
13 logy and our sense was that we would walk through that with  
14 him and probe, you know, his recollection as it coincided  
15 with that chronology; and where there were discrepancies  
16 between that chronology and some things that had been said  
17 during the course of the other interviews, ask specifically  
18 about those things. That was essentially the game plan.

19 Q Do you recall which documents, if any, in your  
20 document review that you produced for the Attorney General  
21 to study?

22 A Which documents I produced?

23 Q Well, do you know whether or not the Attorney  
24 General looked at any of the documents that you had copied  
25 and had returned to the Department of Justice?

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1           A     Well, he looked at the memorandum that we focused  
2 on last time we were together that had the reference to the  
3 residuals. He looked at the Oliver North chronology.  
4 Whether there were one or two or maybe even a few more  
5 other documents that we had copied that he looked at, I think  
6 that there were a couple of others, but I don't have a clear  
7 recollection of which ones.

8           Q     When you say the chronology, would this be the  
9 short, two-page chronology that just mentioned dates and  
10 happenings, or was it more of a narrative form, five or six  
11 pages?

12          A     I think it was a more extensive chronology.

13          Q     Do you remember when it was dated and timed?

14          A     No. I know that there were -- those things were  
15 coming off the press as fast as they could turn them around.  
16 I am not sure precisely which one, although I think the one  
17 he looked at is the one that he had in front of him in the  
18 interview and the one that had a couple of notations in his  
19 handwriting in the margin that's been produced to you and  
20 that you showed him during his testimony. So we can pinpoint  
21 it pretty clearly.

22                I think he had a couple of arrows that he had  
23 marked in the margin. He may have had one or two other  
24 marginalia in it. It was the one shown to him during the  
25 course of his testimony.

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1 MR. LEON: As an exhibit?

2 THE WITNESS: As an exhibit. I don't know what it  
3 was.

4 BY MS. NAUGHTON:

5 Q Do you recall if it mentioned oil drilling as  
6 being the cargo in the November, 1985, shipment?

7 A Well, my sense is it did, but I -- you know, I  
8 think the easiest thing is to get that chronology which I  
9 identified and pinpoint it. Then we can tell for sure.

10 Q Prior to the time North showed up, was there any  
11 discussion of the content of the diversion memo in terms of  
12 the flow of money? In other words, the diversion memo  
13 specifically spells out that the money will go from the  
14 Iranians and be funneled through a U.S. company. Do you  
15 recall whether or not that was discussed prior to North's  
16 interview, and whether or not you discussed it -- asked North  
17 about this American company?

18 A I don't have any recollection of the focus of  
19 discussion being as you described it.

20 Q Was North on time for his interview?

21 A I think he was.

22 Q Did he come alone?

23 A He may have been a little late, but I think he  
24 was pretty close on time.

25 Yes, he came alone.

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1 Q And did he bring any documents with him or did  
2 he refer to any documents during the interview other than the  
3 documents which the Attorney General showed him?

4 A I think that the documents were those that we  
5 showed him. The documents that were used were those we showed  
6 him.

7 Q Did Colonel North refer during this interview to any  
8 attorneys that he had consulted or an attorney that he had  
9 obtained?

10 A No.

11 Q On Saturday when you spoke to him, did he make  
12 mention of having retained an attorney?

13 A No.

14 Q Did he make mention on either Saturday or Sunday  
15 of anyone telling him he should retain an attorney?

16 A I don't know. He may well have made some kind  
17 of a joke to that effect, but it was nothing that would have  
18 been made any more than in jest.

19 Q Would that have been on Saturday?

20 A I don't -- it could have been -- it could have  
21 been both days or either day. I think that there was some  
22 sort of light banter that -- to the effect, geez, maybe I  
23 would be well advised to -- I don't know. I don't know what  
24 it was. To the extent he made any reference, it was as a  
25 joke. It was not anything that was made with any serious

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1 connotations. I think he may have joked about it.

2 Q Did you or anybody listening to that reference  
3 make any comment to it?

4 A I don't recall.

5 Q During the interview on Sunday or before the  
6 interview, did anybody ask North if he had retained an  
7 attorney?

8 A No.

9 Q If I could refer you to your notes of that inter-  
10 view, please, we have marked as Deposition Exhibit No. 1, the  
11 second page of which I believe your notes begin, of the  
12 interview.

13 A This first page is not relevant to the second  
14 page.

15 Q Well, again that is how we received them so we  
16 did not want to separate them until we deposed you and found  
17 out what --

18 A For the record, the first page has no bearing at  
19 all on the second page, any relevance at all to the second  
20 page.

21 Q When was the first page written?

22 A It was written sometime over the weekend of  
23 November 21st.

24 Q Turning your attention to the second page --

25 A Actually, I take that back. It may have been

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1 written even after that. I don't know when it was written.  
2 Sometime after November 21st. That's the first page.

3 Q Okay. If I could turn your attention then to your  
4 notes of Colonel North's interview, please?

5 A Right.

6 Q Turning your attention to page 2 of those notes,  
7 in about the -- towards the middle of the page, there is a  
8 note that begins, "O.N." -- whom I assume is Colonel North --  
9 "has no knowledge of retroactive finding."

10 A Yes.

11 Q Do you recall what the question was there and what  
12 he was telling you?

13 A There was discussion about the December drafting  
14 activity by Mr. Sporkin, now Judge Sporkin, who was counsel  
15 for the CIA at the time relating to a finding that would  
16 cover retroactively the November shipment, because of use of  
17 a proprietary; and I believe that North was saying that he  
18 didn't have any knowledge of a finding that was crafted to  
19 have retroactive effect.

20 Q So was he telling you, in effect, that he did not  
21 know about the November finding which was -- which Admiral  
22 Poindexter has testified was signed by the President in  
23 December?

24 A North -- no. I think that he said that he indeed  
25 remembers being involved in consideration and drafting of a

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1 finding in mid December, but that he has no recollection of  
2 that being a retroactive finding. In other words, to cover  
3 something that had taken place as opposed to prospectively  
4 that which would take place.

5 Q Do you recall was he specifically asked about the  
6 November finding, that is, the one that was sent over from  
7 CIA general counsel Sporkin and CIA Director Casey on Novem-  
8 ber 28th to Admiral Poindexter? Or is North talking about  
9 drafting the -- what ultimately became the January 6th or  
10 January 7th finding?

11 A His testimony was, as I recall it -- I mean his  
12 statements during the interview were to the effect that the  
13 work on the January finding was started in mid December and  
14 that he was involved in that and that it was prospective  
15 only.

16 Q If I could direct your attention later on down  
17 the page, when it says "return of Hawks" --

18 A Yes.

19 Q And I believe your writing is -- says, "Not 'cause  
20 we were furious but 'cause Iranians were not pleased."

21 Could you tell us what North is saying at that  
22 point?

23 A Yes. He was saying that the missiles that had  
24 been provided in that November shipment were -- they didn't  
25 work and they were the wrong -- either the wrong size or the

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1 wrong kind of hardware and the Iranians were more than <sup>n</sup>ot  
2 pleased; they were terribly miffed at the fact that they had  
3 been sold what might appear to be a bill of goods, given  
4 merchandise that was unusable. And that the reason for  
5 getting them back was because they were -- you know, they  
6 were not accepted by the Iranians. They were unacceptable.

7 Q The last entry says "O.N. told to get Hawks back  
8 by Bud." Then there is a date, 12/3. Is that a reference  
9 to Bud McFarlane?

10 A Right.

11 Q 12/3, is that a reference to December 3rd?

12 A I think so. That's what it appears.

13 Q Do you recall that Colonel North told you Bud  
14 McFarlane told him to get the Hawks back on that date?

15 A I don't have an independent recollection. From  
16 reading it, it appears that he indicated to us that was the  
17 day on which McFarlane came to him and said we have to get  
18 them back because the Iranians are displeased.

19 Q If you could locate for me in your notes or did  
20 you take any notes about the discussion of the diversion of  
21 funds to the contras?

22 A Well, it looks like on page 3.

23 Q Okay. The one that starts with "Wir"? January,  
24 1986?

25 A Yes.

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1 Q Could you tell us, using your notes, what it is that  
2 Colonel North had to tell you?

3 A Yes, although I want to also look at John  
4 Richardson's notes because his are more comprehensive than  
5 mine.

6 Actually, it's an entry above that where I guess  
7 it started. Basically, he said the money that was involved --  
8 first he explained the flow of the funds, of the money from  
9 the Iranians to the Israelis and into Israeli bank accounts  
10 and then there would be payment back to the CIA account which  
11 would then get the money back to the Army. That was the flow  
12 of the money.

13 He said -- in -- his statement was the Israelis  
14 came up with the idea of taking residual funds and transferring  
15 them to Nicaragua for the contras.

16 Q Did he say that idea arose in January of 1986?

17 A I don't have a recollection of when he said that  
18 arose. I think -- my notes would indicate that might be  
19 what he said.

20 Q If we could look at your notes, the third line in  
21 that category that starts "Nir, January, 1986. John P. in  
22 meeting -- blew up over Hawk transfer."

23 Do you recall what that is a reference to?

24 (No response.)

25 Q If it will help, Mr. Reynolds, I don't think you

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1 will find a reference to that in Mr. Richardson's notes.

2 Do you recall Colonel North telling you Admiral  
3 Poindexter blew up over the Hawk transfer?

4 A No. I mean -- he said something to the effect,  
5 but I don't have a recollection any more than what is in  
6 my notes.

7 Q Do you recall him saying why Admiral Poindexter  
8 would have blown up over the Hawk transfer?

9 A I don't have a recollection about that.

10 Q Would this note, however, be something that  
11 Colonel North said as opposed to something the Attorney  
12 General might have said?

13 A No. It would have been something North said.

14 MS. NAUGHTON: Actually those are all the questions  
15 I had on the interview. Maybe we should stop there and if  
16 you folks have something you want to ask?

17 Oh, I did have one other thing.

18 BY MS. NAUGHTON:

19 Q When Colonel North was -- when the Attorney General  
20 directed Colonel North's attention to the portion of the  
21 diversion memo which talked about the use of residual funds,  
22 do you recall at some point whether or not Colonel North  
23 asked if you had found a cover memo?

24 A He asked whether there was a cover memo with this  
25 document, yes.

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1 Q And did you respond?

2 A We indicated that there was not.

3 Q Did you say that?

4 A I believe I did say that, yes, as a matter of  
5 fact.

6 Q And what did he say to that?

7 A Well, I'm not so sure the exact sequence of  
8 questions and answers in terms of what he said to that. He  
9 asked that and I said there was not, and I think that the  
10 Attorney General asked whether there might be somewhere else  
11 that documents -- some other file where the document -- a  
12 document would be located where there was such a cover memo,  
13 and he indicated that he didn't know but that he would check.

14 Q Was Colonel North ever asked specifically if the  
15 President had approved the use of the residuals to aid the  
16 contras?

17 A He was asked who else knew about the residuals  
18 and said the only people who knew were Poindexter and  
19 McFarlane and North. So that answers indicated the Presi-  
20 dent did not know. He said the only people aware of it  
21 were Poindexter and McFarlane.

22 Q Did anyone ask Colonel North if anyone specifically  
23 approved the use of the residuals for such a purpose as  
24 opposed to simply being told about it?

25 A No, because as he explained it to us, it was the

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1     Israelis who had received the profit and had asked -- had  
2     indicated they wanted to send that profit to the contras and  
3     North's involvement had been, as he explained it to us,  
4     simply to give them account numbers and Swiss bank accounts  
5     where they could take the money and deposit it in those  
6     accounts which would then be drawn out by the contras. So  
7     there was not -- it was not -- as he described it to us,  
8     it was not something that would have generated a question as  
9     to who authorized it because he was saying it was the Israelis'  
10    idea and they basically decided to do it and as he described  
11    it, it was Israeli profits and his role was simply to move  
12    it to -- I mean to identify accounts where they could put  
13    the money.

14           Q     Did he give a reason why the Israelis would do  
15    this?

16           A     He explained that the Israelis had been sympathetic  
17    for some period of time to the contra cause and as he -- I  
18    don't remember exactly how he explained it, but he explained  
19    that Nir had approached him and said this was something they  
20    wanted to do to help the contra effort.

21           Q     Do you recall if Colonel North made a reference  
22    to the investigation of Southern Air Transport?

23           A     I don't believe -- I don't recall.

24                   MR. LEON: Page 22 of J.R.'s notes. Third para-  
25    graph. Does that refresh your recollection?

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1 THE WITNESS: Yes. I was just stopping because  
2 there is in J.R.'s notes, Poindexter upset with Hawk deal.  
3 I indicated that wasn't in his notes. That's on page 20.  
4 Said to get them back. That is the same reference I guess  
5 I had in my notes.

6 BY MS. NAUGHTON:

7 Q Does that refresh your recollection as to what  
8 was said?

9 A Yes. I think that's the same reference I had  
10 in my notes.

11 Q Did he say why Poindexter was upset?

12 A He doesn't say why, no. Said he was upset with  
13 it and said to get them back.

14 Q Did he say when that occurred?

15 A When?

16 Q When Poindexter became upset?

17 A This does not indicate when, but I -- no. It  
18 doesn't say when.

19 Q Okay.

20 A I am just saying I think that's the reference that  
21 is similar to the one I have.

22 Page 22 is -- well, what was your question?

23 Q What did Colonel North say about the investigation  
24 of Southern Air Transport?

25 A Okay. I don't -- he made a reference to it. I

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26

1 don't have any independent recollection other than what I  
2 read in J.R.'s notes.

3 MS. NAUGHTON: Okay.

4 BY MR. LEON:

5 Q I have a few questions on the interview.

6 Mr. Reynolds, I noticed in comparing the beginning  
7 of your notes with Mr. Richardson's notes that yours didn't  
8 include his first reference. I just wanted to see if you  
9 recall the AG admonishing Colonel North from the outset that  
10 the worst thing that could happen was if somebody tried to  
11 conceal something he said to the President, to put a good  
12 spin on it.

13 What the Attorney General wanted was nothing to  
14 happen that anyone could call a cover-up. Do you remember  
15 the Attorney General admonishing Colonel North?

16 A Right. He did say that very explicitly.

17 Q I want to direct your attention to page 15 of  
18 J.R.'s notes where the Attorney General, it appears from the  
19 notes, asked if R.R. approved it. It appears to be a  
20 reference to the diversion and then he goes on to say if  
21 R.R. approved it, you'd have it, and then there appears  
22 to be an answer, yes, don't think it was.

23 Does that refresh your recollection with regard  
24 to Colonel North responding to the Attorney General to the  
25 effect that he didn't -- he, Colonel North -- didn't think

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1 think the President had approved it?

2 A This has reference to the cover memo or the absence  
3 of a cover memo and whether there was a memo that follows a  
4 regular format that indicates approval or disapproval by the  
5 President. My recollection is that this is in connection with  
6 the discussion of a cover memo.

7 Q Do you recall the Attorney General trying to  
8 get -- learn from Colonel North as to where there would be  
9 documents, if any, if the President approved it, where would  
10 those documents be? In the filing system, for example?

11 A Yes.

12 Q For example, above that line on page 15 of J.R.'s  
13 notes, it says, "If the President objection something," and  
14 then it says cryptically, "into working files of," and then  
15 it ends there.

16 Would that, for example, have been a reference  
17 to the AG's inquiry as to where it would be if an approval  
18 had been granted by the President?

19 A Well, I know that there was a colloquy relating  
20 to where such an approval memo might be or where it could  
21 be located and whether there were other files that discretely  
22 housed Presidential approval memos; and I recall that he had  
23 no knowledge one way or the other but that he would check.

24 Q Were those the files that -- in the NSC that J.R.  
25 went to search the following Tuesday, if you recall?

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1           A     I don't know.

2           Q     You don't know? On the following page, page 16  
3 of J.R.'s notes, in the middle is a reference to "only three  
4 who could know in U.S., M, P, and N." Does that relate to  
5 what you, I think, have testified to North saying, only three  
6 in the U.S. Government had knowledge of it?

7           A     Absolutely.

8           Q     Therefore, by logical inference, the President  
9 didn't?

10          A     Right. That's right. The question was, who else  
11 knew. He said McFarlane and Poindexter. Then he said the  
12 only three who could know in the U.S. were McFarlane,  
13 Poindexter, and North.

14          Q     Do you recall -- the notes don't seem to indicate  
15 this, and I stand corrected if I am wrong, but was there any  
16 reference by North during the course of the interview to the  
17 effect, after being shown the diversion memo, to the effect  
18 where he inquired of the Attorney General and the group of  
19 you whether it counted since he hadn't been advised of his  
20 rights? Do you recall any such inquiry by him to the Attorney  
21 General or you as a group with regard to whether what he had  
22 said to you counted?

23          A     Not at all. He never said anything like that.

24          Q     He never made any request for his rights at any  
25 point, did he?

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1 A No.

2 Q You just testified a minute ago you didn't ask him  
3 if he had an attorney. Was that because there was in your  
4 mind no reason to ask him if he had an attorney? Did you  
5 see any reason?

6 A We didn't see -- there was no reason that I saw  
7 to ask him that question. He had come in voluntarily, been  
8 invited to come in, been explained it was a general inquiry;  
9 and indeed, the day before, had offered to have me ask him  
10 questions and answered them voluntarily about this whole  
11 thing. I said no, we ought to wait until tomorrow so we  
12 could do it at one time.

13 Q Yes.

14 A So it never even occurred to me that it was the  
15 kind of circumstance where one would suggest that he should  
16 get an attorney.

17 Q And one last point on this page 20, the reference  
18 you just noticed in J.R.'s notes that corresponds with the  
19 reference in your notes about Poindexter being upset about  
20 Hawks deal. Just to be clear for the record here, would it  
21 be your understanding that the Hawks deal referred to here is  
22 the November, 1985, deal as opposed to any Hawk shipments  
23 thereafter in the future?

24 A Yes. I think that's right.

25 Q Okay.

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MR. LEON: I have nothing else on that.

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1 MR. MCGOUGH: I have some questions, but I  
2 think it would make more sense, since they are part of  
3 another line of questions, to go on and do them all together.

4 MS. NAUGHTON: Thank you.

5 BY MS. NAUGHTON:

6 Q After Colonel North left, first of all, was anything  
7 said to Colonel North regarding what the next step would be?  
8 In other words, was he told he may have to resign? Was he  
9 asked about his future plans?

10 A No.

11 Q All right.

12 Was there anything said to him about maintaining  
13 or retaining documents?

14 A No.

15 Q Now, after Colonel North left, did -- you and the  
16 Attorney General, Mr. Cooper and Mr. Richardson discuss what  
17 had transpired in the North interview?

18 A Well, actually the Attorney General had to leave,  
19 I think, to go pick up his wife at the airport -- maybe it  
20 was Dana at the airport before the interview was over, and he  
21 returned just as we were breaking up. And after North left,  
22 we spent a few minutes talking, but not any extended period of  
23 time and then the Attorney General left and following that  
24 Chuck and J.R. and I had some conversation relating to the  
25 North interview.

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1 Q Okay. Could you break it down? When the Attorney  
2 General arrived, could you tell us what that discussion was?

3 A No. I just know he came back after we were leaving  
4 and after he left we talked for about five minutes.

5 Q Did you discuss whether or not the Attorney General  
6 felt -- or he felt North had been candid and forthcoming?

7 A I don't have a specific recollection of that  
8 conversation with the AG.

9 Q After the Attorney General left, did you discuss  
10 with Mr. Cooper and Mr. Richardson what your opinion was or  
11 what their opinion was of Colonel North's truthfulness during  
12 the interview?

13 A I think we all remarked in one form or another that  
14 there was a noticeable change in his demeanor at the time  
15 that he was confronted with the diversion information in the  
16 memo, that he had up to that time been quite impressive in  
17 his recall and his manner of presentation, that he seemed to  
18 seemed to -- noticeably to be surprised by the diversion  
19 and became more halting in his answers for a brief period of  
20 time and than apparently regained his composure and went back  
21 to being quite smooth in his presentation.

22 Q Well, I guess it doesn't answer my question. Did  
23 any of you voice an opinion regarding whether or not he had  
24 been truthful?

25 A I don't recall one way or the other.

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1 Q What were your thoughts? Did you think he had been  
2 truthful?

3 A Well, I didn't have a frame of reference to make an  
4 assessment one way or another.

5 Q Did he say anything during this interview that  
6 directly contradicted the facts as you knew them from your  
7 review of documents or other facts?

8 A He said things that suggested that his recall might  
9 have been different from somebody else's recall, but I don't  
10 I don't jump to the conclusion that that means somebody is  
11 being untruthful.

12 Q Okay. If we can -- did anything else transpire  
13 that evening, Sunday evening, other than this meeting after  
14 the Attorney General left?

15 A I don't believe so.

16 Q Okay. On Monday morning, do you recall what it is  
17 you did Monday morning, the 24th?

18 A Well, I think I got up and went to work, but I --  
19 I am not sure there was -- what do you mean, anything I did?

20 Q Okay. Once you got to the Department of Justice,  
21 what did you do?

22 A All right.

23 Well, I was -- I think there was an 8:30 meeting.  
24 I don't know if there was an 8:10 meeting. I think there  
25 was an 8:30 meeting. I went to that.

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1 Q Now, this is the regular senior management group  
2 meeting?

3 A It is the regular 8:30 meeting.

4 Q Fine.

5 Was the inquiry regarding the Iranian initiative  
6 discussed at that meeting?

7 A I don't recall.

8 Q After that meeting, do you recall what it is you did  
9 Monday morning?

10 A No, I don't have a recollection or a blow-by-blow  
11 of what I did at particular times.

12 Q Do you know whether or not you did any work on this  
13 issue as opposed to doing work on your other duties in the  
14 Department?

15 A I am sure that I spent a lot of time on this issue.  
16 But I don't have any specific recollection of what I did at  
17 what particular minute.

18 Q Well, when you say you suppose you did a lot of work  
19 on this issue Monday morning, do you know what that might have  
20 been?

21 A Well, there were a lot of -- you know, there were  
22 documents that -- that we were reviewing; that was, pulling  
23 together the different things that we had learned. Chuck had  
24 some notes of interviews that I had been in. There were  
25 discussions. You know, there were a whole raft of things.

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1 Q Did Mr. Cooper give you copies of his notes prior to  
2 Monday morning?

3 A Sure. What notes he had. We had all sorts of  
4 ambitions to draft up summaries of interviews over the  
5 weekend. It seems we had very little else to do, but we ran  
6 out of time, 24 hours elapsed and we didn't have time to do  
7 that. We were going to put in place a summary of interviews.  
8 Do you believe that?

9 Q Now, can you tell us how the meeting with Tom Green  
10 came about?

11 A He called me and I -- my recollection is that it was  
12 early Monday morning and I recall that because I think I was  
13 pulled out of the 8:30 meeting sometime around 9:00 o'clock.  
14 I believe that and that is why I have a recollection of the  
15 8:30 meeting. And I had a call from him and it said it was  
16 urgent he talk to me. I can't remember whether I called him  
17 back or went out of the meeting to take the call.

18 He indicated that he thought it was important that  
19 I talk to him, that he had at various stages represented  
20 North, that he understood that I was in the interview the day  
21 before and I had the impression that he had had a conversa-  
22 tion with North following the interview and he felt that it  
23 was important that I sit down and hear some things that he  
24 wanted to say.

25 Q Now, before you returned his phone call, did you

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1 know that he was in any way in contact with or connected with  
2 Colonel North?

3 A Well, I am not so sure I returned his phone call.  
4 I don't know whether I just stepped out of the room and talked  
5 to him, so I don't know that there was a thought process there  
6 that is similar to what you are suggesting.

7 Q Prior than to speaking to him that morning, did  
8 you know that he had any contact with Colonel North, General  
9 Secord, or Albert Hakim?

10 A Well, in the sense that you asked the question,  
11 the answer is no, although Tom Green had represented Secord  
12 at an earlier time with regard to a Department of Justice  
13 investigation and for some reason I had known about the fact  
14 that he had been involved in that earlier investigatory  
15 activity, but only just in terms of names, you know, and  
16 events, not anything specific.

17 Q For how long had you known Mr. Green?

18 A Seven to eight years -- nine years -- seven or  
19 eight years.

20 Q And how did you first meet him?

21 A Well, we -- he was -- how did I first meet him?  
22 I don't know how I first met him. I know that we had worked  
23 on a case together. I know that he was a partner in a law  
24 firm that had other partners who were friends of mine. I had  
25 known him professionally for that period of time off and on

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1 on different matters that he was involved in or I was involved  
2 in or the firm was involved in. Basically, it had been pro-  
3 fessional, but I had known him in that context.

4 Q When he contacted you by phone that morning, did he  
5 say whom he represented?

6 A No. I think that he was very careful to say that  
7 he was not contacting me in any representative capacity.  
8 He said that he had represented from time to time -- or pre-  
9 viously -- North and Secord and that he had had some  
10 tions that he felt gave him some background knowledge in this  
11 whole thing that would be useful for us to have as part of  
12 inquiry and therefore wanted to come in and talk to me.

13 Q Did he say he had spoken to Colonel North  
14 to Colonel North's interview with you on Sunday?

15 A I don't know whether he said that on the phone or  
16 whether that came out in the interview -- I mean in the dis-  
17 cussion we had that followed. My sense is it was probably  
18 on the phone, but certainly I -- based on the phone call, it  
19 was clear to me that he had been in conversation at some  
20 with North and I think Secord and that he wanted to talk to  
21 me about these events and whether he had simply been told by  
22 North that North had been in the interview and I was one of  
23 the participants or players or whether North sat down and  
24 told him blow-by-blow what happened in the interview, I have  
25 no sense of learning during the phone call.

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1 Q And did you agree with Mr. Green?

2 A I did.

3 Q Why?

4 A Well, we were doing an inquiry trying to get all  
5 the facts we could and I indicated he had some information  
6 that would help us in the effort that we were involved in,  
7 so it seemed to me and the Attorney General and Chuck and J.R.  
8 that it made good sense to hear him out. No downside in that.

9 Q Now, directing your attention to what is marked as  
10 Deposition Exhibit No. 2 --

11 A All right.

12 By the way, can I clear up something on Exhibit 1?

13 Q Sure.

14 A The last page is not part of an Oliver North  
15 interview. It is attached on the exhibit.

16 MR. MCGOUGH: So the first page and last page are  
17 not part of it?

18 THE WITNESS: Right.

19 BY MS. NAUGHTON:

20 Q Okay then, directing your attention to Exhibit 2,  
21 dated 11-24-86 at 2:20 p.m. Are these your notes of your  
22 meeting with Mr. Green?

23 A They appear to be.

24 Q Okay, and do they reflect the presence of Mr.  
25 Cooper as well?

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- 1 A Right.
- 2 Q Why was Cooper there?
- 3 A Because I asked him to attend.
- 4 Q Any reason?
- 5 A Well, I thought that it was probably useful since
- 6 he was involved in the inquiry to have both Chuck and myself
- 7 meet with him.
- 8 Q Now, I would like to take you through your notes,
- 9 if I could, and tell us -- and taking one section at a time
- 10 read them into the record and tell us what it is you recall
- 11 Mr. Green telling you?
- 12 A Do we really need -- can't we just incorporate
- 13 these as part of the testimony so I --
- 14 Q You don't have to read them into the record, but I
- 15 do want a full exposition of what every line indicates was
- 16 said.
- 17 A Well, I will stand on the notes as written. What
- 18 they say there is what was said.
- 19 Q All right.
- 20 Mr. Green said that your notes indicate that he
- 21 represented both Oliver North and Richard Secord.
- 22 A At one time or another, right.
- 23 Q But not at the time he was meeting with you?
- 24 A That is correct.
- 25 Q And then your notes indicate "has been talking to

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1 North and Secord in"-- and I don't know what that word is

2 A "Last few weeks."

3 MR. BOLTON: Let me interject here the witness has  
4 indicated he will stand on the notes. If you think we are  
5 going to sit here and go through this line by line to punish  
6 the witness because he declined to read them, we have to  
7 reformulate that. This was indicated to your secretary; we  
8 have got another obligation beginning at 4:00 o'clock and if  
9 you plan to finish this thing, I would suggest that reading  
10 these into the record line by line is not the most productive  
11 way to do this.

12 MS. NAUGHTON: I was not informed of that.

13 MR. BOLTON: I apologize. You are informed of it  
14 now.

15 BY MS. NAUGHTON:

16 Q Your notes indicate he had been talking to North  
17 and Secord in the last few weeks. Did he say in what connec-  
18 tion he was talking -- he had been talking to North and  
19 Secord?

20 MR. BOLTON: Note an objection to that on grounds  
21 previously stated. I think it is a waste of time to go  
22 through these line by line.

23 BY MS. NAUGHTON:

24 Q Did he say how he came to be in contact with North  
25 and Secord in the last few weeks?

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1           A     Well, just what the notes say, that he had  
2 represented him in the past, that he had come to him for  
3 advice from time to time or for consultation and that he had  
4 had occasion in the past few weeks to converse with him  
5 about the matters that were most topical.

6           Q     Did he say what matters? Were they Iranian  
7 matters?

8           A     Yes.

9           Q     Were they contra-related matters?

10          A     No, he said the Iran -- story that broke on  
11 November 4th.

12          Q     Did Mr. Green indicate to you whether or not he had  
13 spoken to Colonel North regarding the Hasenfus crash?

14          A     I don't have any independent recollection that he  
15 did and the notes do not appear to suggest that he did.

16          Q     Okay.

17                 Then your notes indicate there are some general  
18 understandings that apparently Mr. Green came away with, one  
19 being "North, good guy, but ready to take responsibility for  
20 more than perhaps he should."

21                 MR. BOLTON: Note a continuing objection to this  
22 line of questions on this.

23                 BY MS. NAUGHTON:

24          Q     "No impropriety, but USG" -- does that reflect U.S.  
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1 Government?

2 A Right.

3 Q No doubt -- and what is the next word?

4 A Representatives.

5 Q "Representatives from U.S. Government came to" --

6 A Understand.

7 Q "Israelis began initiatives with elements of Iran."

8 Is that what the note indicates?

9 A Right.

10 Q What is he saying at that point? Do you recall?

11 A What it says. I mean, there was no doubt that the

12 Government learned that the Israelis had initiatives with  
13 Iran with regard to the transfer of TOWs. It goes on to say  
14 that the initial transfer was learned retroactively, that  
15 means by the United States Government. It talks about the  
16 transfer of the 18 HAWK missiles that were later retrieved  
17 which was the November transfer.

18 Q Okay.

19 Did Mr. Green indicate why they were retrieved?

20 In other words, was he saying that the Iranians didn't want  
21 them or was he saying that the United States had to go back  
22 and get them?

23 A No, he indicated that they were not the right fit  
24 or vintage or whatever. That something -- the Israelis got  
25 irritated -- I mean the Iranians were irritated because they

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1 weren't getting what they needed as far as hardware.

2 Q Then there is an indication that "North decided to"  
3 pick up trail that Israelis opened, led to --

4 A Led to January 17 finding, although that may be  
5 a new date for everybody. I think it was January 16, wasn't  
6 it? Actually, it was the 16th and 17th.

7 Q Let's put this on the record instead of whispering.

8 A -- led to January 17 finding.

9 MR. LEON: I think the record should reflect that  
10 the witness wasn't trying to hide anything. It was just a  
11 casual side.

12 MR. BOLTON: I think the counsel is harassing the  
13 witness now and I object --

14 MS. NAUGHTON: Actually it was referring to  
15 Mr. Leon whispering.

16 MR. LEON: I didn't whisper anything, but I don't  
17 even remember what I was saying.

18 MS. NAUGHTON: If we can move on.

19 MR. LEON: I wasn't intending certainly to whisper  
20 anything.

21 MS. NAUGHTON: Next.

22 BY MS. NAUGHTON:

23 Q The finding has reference to third -- does that  
24 say --

25 A Countries and third parties.

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1 Q "Deliberately put in finding so as to authorize  
2 private companies to engage in activities in furtherance of  
3 the finding."

4 A Right.

5 Q Was Mr. Green at that point saying that the Hakim-  
6 Second enterprise, if you will, was specifically authorized  
7 in the finding to proceed as they did?

8 A Right.

9 Q Okay.

10 Did he tell you that the profits that the  
11 enterprise had accumulated was therefore authorized in the  
12 finding? In other words, was that the pitch he was making  
13 to you?

14 A Well, what he was saying is that the finding of  
15 January 17 had been drafted so as to authorize whatever third-  
16 party activities were ongoing regarding these transactions.  
17 He was not -- he didn't break it down specifically, but it  
18 would have been any feature of -- of the transaction that was  
19 being carried on by third parties.

20 Q Did that in his mind include the use of the  
21 residuals for the contras?

22 A You will have to ask him.

23 Q Well, I am asking you did he tell you that?

24 MR. BOLTON: That is not what your question asked.

25 THE WITNESS: I don't recall one way or another.

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1 Is it in here? You will have to ask him that.

2 BY MS. NAUGHTON:

3 Q Did he --

4 A I am not sure. I mean, I don't think -- the way you  
5 asked it, it doesn't ring true because he was telling me in  
6 large measure information he had obtained second and third  
7 hand, so I am not sure that he was commenting about his views  
8 or how he saw it at any time during this discussion. It was  
9 much more recounting that which others had told him, informa-  
10 tion he had picked up by reason of conversations he had had.

11 I don't think Tom Green was a principal participant  
12 in these things any way at any time.

13 Q All right.

14 Moving on then, in implementing funding, North  
15 turned to Secord. North and Secord began to work -- and then  
16 I can't read it.

17 A "Same channel as Israelis."

18 Q Ghorbanifar.

19 A G-o-r-b-a-n-a-f-a-r.

20 Q Now, on page 2, there is a reference to Albert Hakim.

21 A Right.

22 Q Now, what did Mr. Green tell you his relationship  
23 was with Mr. Hakim?

24 A I am not sure that he did. He said that Hakim was a  
25 business partner with Secord, that he knew Hakim and that he

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1 had spoken -- my understanding was that he had spoken to  
2 Hakim about some of these matters. I don't think he indicated  
3 to me what his relationship was to Hakim.

4 Q Do you recall whom -- who he told you Hakim was?

5 A Business partner of Secord.

6 Q Had you heard that name before?

7 A No.

8 Q Your notes indicate he said Albert Hakim also  
9 received overtures for many moderate elements and then I  
10 can't --

11 A That would be moderate elements in Iran.

12 Q And then what do your notes indicate?

13

14 Q Prior to that?

15 A Business partner of Secord.

16

17

16 A Right.

19 Q What was that a reference to?

20

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22 Q Did he tell you in what case?

23 A No.

24 Q Did he tell you under what circumstances?

25 A No.

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1 Q Did he tell you when this was?

2 A No.

3 Q Did you inquire?

4 A No.

5 Q Why not?

6 A I was purely listening. This was a narrative that  
7 unfolded and unless there was a dramatic pause in the action,  
8 neither Chuck nor I asked any questions. We were really there  
9 simply -- he wanted to come in and talk to us and we listened.

10 Q Okay, and there is a reference that Hakim  
11 volunteered to Secord and North that Ghorbanifar was a crook  
12 and Hakim than volunteers to work his contacts in Iran to  
13 reach the moderate elements; is that right?

14 A Right.

15 Q Next entry says "January '86, Frankfurt meeting,  
16 Hakim as interpreter."

17 Is that correct?

18 A Right.

19 Q And "Israelis brought" -- is that the word?

20 A Right.

21 Q And then a name I won't mention. This is an un-  
22 classified deposition.

23 A This is what?

24 Q Unclassified.

25 A Well, has this exhibit not been introduced anyway?

~~TOP SECRET~~  
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**UNCLASSIFIED**

48

18

- 1 Q Well, we will classify the exhibit.
- 2 A "To meeting Nir, North, Secord, [REDACTED]"
- 3 Q And then the entry "may have been taped and "our
- 4 side sized up" and then the word "as" and then I can't read
- 5 that.
- 6 A Duncie.
- 7 Q Is it duncie? Okay.
- 8 Next entry is Hakim -- and then I don't know what
- 9 that word --
- 10 A "Thus working his channels."
- 11 Q -- "produced" another individual whom we won't name
- 12 as apparently a "productive channel."
- 13 A "More productive channel."
- 14 Q And then entry "North/Secord knew that the
- 15 Israelis" --
- 16 A No, no, no.
- 17 Q "The Iranians?"
- 18 A Right; "sent arms [REDACTED]"
- 19 support the Sandinistas."
- 20 Q [REDACTED]
- 21 A That is right.
- 22 Q And the next line, "Hakim said that Iranians" --
- 23 A I gather the whole thing is classified.
- 24 MR. LEON: Off the record.
- 25 (Discussion off the record.)

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49

19

1 BY MS. NAUGHTON:

2 Q Now, did you discuss with Mr. Green the issue of  
3 whether or not this information that you had obtained over  
4 the weekend and that he was sharing with you now would become  
5 public?

6 A No.

7 Q Did he ask you to keep any of it quiet?

8 A No, not as such.

9 Q Was there any discussion along those lines?

10 A Well, he had indicated that there was reason for  
11 much of this not to become public because of some consequences  
12 that he felt would result.

13 Q And did you list these consequences on the last  
14 page of your notes?

15 A Yes.

16 Q And did Mr. Green tell you that he feared that some  
17 people abroad could be killed if this information became  
18 public?

19 A Yeah.

20 Q And did he tell you that it would impede the efforts  
21 to reach the moderates in Iran if it were made public?

22 A Yeah, he did indicate that.

23 Q Were there any other consequences other than the  
24 ones you wrote down that Mr. Green told you would happen if  
25 the material was made public?

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20

1 A Not other than what is written down on the last page.

2 Q Now, after he layed these out for you, these  
3 consequences, what, if anything, did you tell him about the  
4 material being made public?

5 A Nothing.

6 Q Did Mr. Cooper discuss with Mr. Green whether or  
7 not any of the material would be made public?

8 A No.

9 Q Is it your testimony than you made no commitment  
10 to him regarding keeping a secret or not going public?

11 A That is correct.

12 Q Did you make any commitment to Mr. Green regarding  
13 notifying him before it would be made public?

14 A No.

15 Q Did you give him any idea or did you suggest to  
16 him that you might do that?

17 A Might do what?

18 Q Might give him notice before the material became  
19 public?

20 A No.

21 Q Now, do you recall when the meeting ended?

22 A Not specifically, but it was about an hour --  
23 or looks like it was longer -- well, it was about an hour and  
24 20 minutes. Chuck's notes say 3:45. That is probably right,  
25 about an hour-and-20-minute meeting.

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51

21

1 Q Did you and Mr. Cooper meet after Mr. Green left?

2 A Well -- you mean did we caucus following him  
3 leaving? I don't recall.

4 Q Okay.

5 What did you do after the Green meeting?

6 A I really don't remember what my next meeting was.  
7 It is probably on my calendar.

8 Q Do you know if you worked on these matters or were  
9 these matters pertaining to your other duties at the  
10 Department?

11 A I have no recollection.

12 You mean directly after -- I don't have a  
13 recollection.

14 Q Can you tell us anything that you did after 3:45  
15 on Monday?

16 A Not without some assistance in refreshing my  
17 recollection based on my calendar.

18 MR. LEON: We have your calendars.

19 THE WITNESS: If you have them and you want me to  
20 look at them, I can perhaps be --

21 MR. LEON: You have provided them to us, have you  
22 not?

23 THE WITNESS: Oh, yes, you have all of it.

24 BY MS. NAUGHTON:

25 Q We have redacted calendars; correct?

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22

1           A     I think you have got redacted and unredacted.  
2     You have got every calendar we have ever written. Whether  
3     you asked to have copies made of all of the unredacted ver-  
4     sions of every page, I don't know, but I understand that you  
5     reviewed them and had indicated what you wanted copied and  
6     some of that was redacted.

7           MR. BOLTON: Rather than go on at length, I request  
8     that portions of correspondence between the committees and  
9     the Department on Mr. Reynolds and various notes and calendars  
10    be appended to this deposition when it is transcribed.

11           THE WITNESS: Good idea.

12           BY MS. NAUGHTON:

13           Q     Now, could you tell us what it is that you did  
14    then on Tuesday morning.

15           A     What it is I did on Tuesday morning?

16           Q     November 25th.

17           A     Twenty-what?

18           Q     Twenty-fifth.

19           A     I don't know. I can't tell you what I did on  
20    Tuesday morning. You have my calendar for Tuesday morning.

21           Q     We have heard testimony from Mr. Richardson and  
22    from Mr. Cooper that they went over to the White House.

23           A     Right.

24           Q     For several meetings and to perform a couple of  
25    tasks.

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23

1 A Right.

2 Q Do you recall having been present at any meetings  
3 prior to their leaving for the White House or having any  
4 prior knowledge that they were going to be going to the White  
5 House?

6 A I knew they were going to the White House. I  
7 can't remember whether -- there was a meeting before they  
8 went over or a phone call or what, but I knew they were going  
9 and I was not going to go.

10 Q Do you know why you didn't go? In other words,  
11 was that explained to you why you weren't at those meetings  
12 at the White House?

13 A We had that base pretty well covered. I had  
14 other things that needed to be done.

15 Q Okay. So do you know what you did then on that  
16 morning?

17 A No -- I mean I don't know offhand what I did on  
18 November 25th any more than I know what I did on December 13th.

19 Q Do you know if what you did pertained to these  
20 issues or whether they had to do with your other duties at  
21 the Department?

22 A I am sure -- probably that I did some things I  
23 did pertaining to this and some things that I did pertaining  
24 to other duties at the Department, but I don't have any  
25 specific recollection of November 25th until -- directly

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24

1 before the news conference.

2 Q Okay.

3 Prior to the news conference --

4 A I think -- yeah.

5 Q And any time between 11:00 and 12:00 that day on the  
6 25th of November, did you speak to Mr. Green?

7 A I think so, but whether it was -- I talked to him  
8 that morning prior to the news conference. The exact date --  
9 I mean, the exact time, I am not aware of, although it would  
10 show up in my telephone logs.

11 Q And was that at his instigation or did you call  
12 him?

13 A He called me.

14 Q Why?

15 A A follow-up to the meeting. I can't remember  
16 exactly -- I don't remember exactly why. I mean it had to  
17 do with some further conversation relating to the meeting  
18 and it was at that time that he indicated to me that he  
19 thought that there ought to be further conversation with him  
20 and with Secord and maybe even Hakim before the -- any public  
21 statements were made or were made.

22 Q Did he indicate to you at that time that he had  
23 knowledge that a public statement was going to be made?

24 A I think he did. I think he said he was aware that  
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dd ends/#2

there was -- there was going to be -- I don't know whether  
he told me or I told him. I can't remember.

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56

#3  
DINKEL  
3:40 pm  
mas 1

1 Q By the time he called, you were aware there  
2 was going to be a public announcement; is that correct?

3 A Right.

4 Q Did Mr. Green indicate he knew what the fate  
5 of Colonel North would be? In other words, that he would  
6 be reassigned to the Marine Corps?

7 A No. We didn't have any discussion about that.

8 Q Did he indicate that he wanted you to meet with  
9 or speak to either Colonel North, General Secord, or  
10 Albert Hakim?

11 A Well, he wanted -- he indicated that he wanted  
12 the attorney general and other department officials to  
13 defer making any kind of public statement regarding the  
14 whole affair until we -- as he indicated -- had a better  
15 familiarity of all the nuances and that that would best  
16 be served if we could sit down and talk to Secord and  
17 Hakim.

18 Q Did he indicate to you that they would talk  
19 without being granted immunity?

20 A No, he did not.

21 Q Was there a discussion of immunity?

22 A I don't believe in that phone conversation there  
23 was.

24 Q Did he offer then for them to sit down with the  
25 attorney general without immunity?

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57

m2 1

A Well, it wasn't put forward in those terms.

2

It was put forward in terms of we ought to slow down until

3

we had a chance to talk to them and work out some arrangement

4

where that could be done.

5

Q Did he, at that time, on the 25th, say that he

6

represented any of those three gentlemen?

7

A I don't recall.

8

Q Do you recall how long the conversation was?

9

A No. But it was not -- well, I don't recall.

10

Maybe 10, 15 minutes.

11

Q Did Colonel North participate in that conversation?

12

A No. Not to my knowledge. I don't know whether

13

he was listening on the phone. He didn't say anything.

14

Q Was anyone with you when you were having this

15

telephone conversation?

16

A I don't believe so.

17

Q What was Mr. Green's reaction? In other words,

18

was this a hurried call? Was he upset about the fact it

19

was going public?

20

A I think it's fair to say he was concerned about it

21

and felt that it would be a mistake -- that it was a

22

mistake.

23

Q After he expressed this to you, what was your

24

response?

25

A Well, I'm not sure -- I indicated to him that I

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58

m3

1 thought it was important that we got all the information  
2 that we needed and that if he had further information,  
3 that he certainly ought to provide it to us and that I  
4 would work with him in terms of setting up some vehicle for  
5 exploring that further, but that the events were sort of  
6 moving at a pace where the attorney general was going to  
7 announce what it is that we now had become aware of.

8 Q Did you tell Mr. Green that the matter might be  
9 turned over to the criminal division?

10 A I don't recall whether there was anything --  
11 whether I said that in the telephone conversation. I'm not  
12 clear that I did, because I don't think that the immunity  
13 question was joined in precise terms. So I'm not sure  
14 that I -- I'm not sure about that.

15 Q Do you recall if you took notes of the conversa-  
16 tion?

17 A On the -- I guess -- let me back up a minute  
18 because on that -- and expand on the former answer. I did  
19 not have any reason to expect that things would be turned  
20 over to the criminal division at the time of that phone  
21 call so it would not have been something I would have  
22 indicated to him.

23 Q So there had been no discussion with the attorney  
24 general prior to that time of turning over the inquiry to  
25 the criminal division?

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59

m4

1 A Right. We first had that conversation shortly  
2 after he returned following the news conference. At which  
3 point we sat down and there was some discussion about  
4 whether there were criminal --

5 MR. LEON: Who is we?

6 THE WITNESS: The attorney general, Chuck Cooper,  
7 myself, and J.R.

8 MR. LEON: Were you aware that prior to that you  
9 had asked Cooper to do some research into whether or not  
10 there were criminal violations?

11 THE WITNESS: On Sunday? I don't believe he did.

12 MR. LEON: On Monday?

13 THE WITNESS: On Monday? I guess that is right.  
14 That's Monday.

15 Yes. He did that on Monday morning.

16 But we didn't have any reason to sit down and focus  
17 on the criminal reference point -- part of it until after  
18 he got back from the news conference.

19 BY MS. NAUGHTON:

20 Q When he did get back, did you eventually  
21 participate in a meeting that included Mr. Trott? At  
22 about 2:05 to 2:45 p.m. that day?

23 A I think I did.

24 Q Was there a discussion at that time of granting  
25 immunities?

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60

m5

1 A I don't recall.

2 Q Did you tell Mr. Trott about your conversations  
3 with Mr. Green at that meeting?

4 A Well, if I told everybody who was there, I told  
5 Mr. Trott. I did not tell him separately. I'm sure that  
6 I reported on the phone call I had with Green when the  
7 attorney general got back. Whether it was in that meeting  
8 or just before that meeting, I don't know.

9 Q According to your notes, Mr. Green discussed  
10 with you the possibility of people's lives being endangered  
11 if this were to be made public. Was that discussed with  
12 you and the attorney general or Mr. Cooper or Mr. Richardson  
13 prior to the public announcement of it around noon on the  
14 25th?

15 A Discussed?

16 Q Yes.

17 A I reported that that was what he said would be  
18 an outcome.

19 Q Well, was there a discussion then of whether or  
20 not to go public in light of the fact that people's lives  
21 might be endangered as Mr. Green had represented?

22 A I think the reaction to that was that this was  
23 somebody talking second or third hand with nothing that  
24 suggested to us that any more than his impressions of what  
25 might happen and that we -- it did not slow down the sense

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61

m6

1 of what we had to do.

2 Q If we can return then to your notes of the Green  
3 meeting, and we are on page 3, and this is the Green  
4 meeting on the 24th, at the beginning of the page -- and  
5 please correct me if I am wrong in reading your writing --

6 MR. LEON: Exhibit 2?

7 MS. NAUGHTON: Yes.

8 BY MS. NAUGHTON:

9 Q "Hakim registers displeasure with Iran; sending  
10 weapons to Sandinistas [REDACTED] Says not only  
11 stop that but also if we can arrange for you to have access  
12 for supplies you need. Want you to make a contribution back  
13 to the contras."

14 A Right.

15 Q What is Green telling you at that point?

16 A This follows from the bottom of page 2 and that  
17 basically Hakim was more interested in having support go to  
18 the other side than to go to the Sandinistas, and that the  
19 Iranians -- apparently that a way could be arranged so as  
20 to provide help to the contras and Hakim was interested in  
21 doing that because he was not at all pleased that the  
22 Iranians were helping the Sandinistas.

23 Q Did Green tell you that Hakim had told the Iranian  
24 that the money would be sent to the contras?

25 A No.

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62

m7 1 Q Then a line to the left of the page says "Ghorbanifar  
2 may have had a role in this transaction. Israelis wanted  
3 to keep price up."

4 A Yes. "Unclear why."

5 Q Did Mr. Green tell you why it was unclear why the  
6 Israelis wanted to keep the price up?

7 A Apparently.

8 Q Was this referring to the last shipment or to all  
9 the shipments?

10 A The February shipment.

11 Q And the price for the February shipment was  
12 negotiated on that?

13 A Basis.

14 Q Basis. Essentially by Hakim?

15 A Right. But that basis has reference to contribution  
16 being made back to the contras.

17 Q "Money was routed through Israelis into A. Hakim's  
18 financial network."

19 A Right.

20 Q "Accounts of foreigners that Hakim had access to."  
21 Did he mention who the foreigners were?

22 A No.

23 Q Did he say of what country they were citizens?

24 A No.

25 Q The next entry is "USG paid for TOWs. Excess went

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63

m8

1 to Hakim for contras."

2 Which shipment is this referring to?

3 A The February shipment, looks like.

4 Q And then "Tom Green says finding was thought to  
5 be 'cover' for the legality of money transfer."

6 Can you explain to us what he was telling you at  
7 this point?

8 A Well, that the -- it relates back to what he  
9 said earlier, that the finding had made reference to third  
10 party -- third countries and third parties in order to  
11 authorize private network assistance to the contras, and  
12 this is simply a reiteration of the fact that that ,  
13 finding would mean that what was being done with regard to  
14 the money transfer was legal.

15 Q So is he talking then in terms of the money -- of  
16 just the flow of the money or is he also including that --  
17 the use of the residuals and the residuals flowing to the  
18 contras?

19 A I think this has reference to the excess money that  
20 went to the contras.

21 Q Next entry, May '86 "Transfer of 240 Hawk spare  
22 parts also negotiated on same basis."

23 A Right.

24 Q "O. North was aware of this but not an actor in  
25 this."

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What is this referring to?

A The negotiation of the May transfer at a price that would provide for a residual that could then be funneled to the contras.

Q Green was telling you that North was not involved in the negotiation of the price of the spare parts in May?

A Right.

Q And then "No USG money; Iranians making contribution with Iranian money."

A Right.

Q Is that correct?

And finally, the last page, "Tom Green's clients feel they were doing the Lord's work." Who are his clients?

A This had reference -- that is my shorthand, I guess to keep up, that had reference to Secord and Hakim.

Q But he didn't claim to represent them at the time you talked to him?

A I think that's my sort of -- instead of writing that out, my reference.

MR. MCGOUGH: You said Secord and Hakim.

THE WITNESS: Right.

MR. MCGOUGH: Is that who the reference to his clients were?

THE WITNESS: Yes. It may also have been North. The guy, as I understood it, he had at one time or another

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m10 1 given legal advice to all three of them in different  
2 matters. Rather than -- I think I was trying to keep up,  
3 so that was the short form to make reference to all three.

4 BY MS. NAUGHTON:

5 Q Then a reference "They worked like dogs. Gave  
6 thought to law and firmly believe they were not acting  
7 outside the law."

8 When he said they gave thought to the law, did  
9 he say they had consulted with any attorneys? In other  
10 words, did he expound on what thought they had given to the  
11 laws?

12 A Again this is -- I don't remember explicitly.  
13 My recollection looking at this is that he said they were  
14 aware of the legal mosaic out there and what they did was  
15 done in a way that they believed very firmly was within the  
16 legal structure.

17 Q But there was no specific discussion of the Arms  
18 Export Control Act, or any other specific laws with you  
19 and Mr. Green?

20 A No. Not that I recall.

21 Q One --

22 A Although I think Chuck took notes on this, too.  
23 So he might be able to clarify it.

#3 23  
end mas  
emm fls 24

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66

#3A

amm-1

1 Q I would like to take you forward, then, to Decem-  
2 ber 1st of 1986.

3 A Right.

4 Q And you had another meeting with Mr. Green; is that  
5 correct?

6 A Right.

7 Q Could you tell me how that came about?

8 A He called and asked if he could come in and meet  
9 with me again, and I -- later in the day, he said. I think  
10 he called in the morning. I indicated I thought that he --  
11 that that would be fine, that I'd get back to him after I-  
12 checked my schedule on when we might be able to get together.  
13 I then raised it with the Attorney General and I believe  
14 Bill Weld or Steve Trott to see if there were any reasons not  
15 to meet with Green, A; and, B, to make sure if I met with him  
16 that somebody was with me and Bill Hendrick was identified as  
17 the person who ought to attend that meeting with me. We  
18 decided it made sense to meet with him.

19 I think in that phone call, he said that he wanted  
20 to talk about -- that he represented Secord and wanted to  
21 come in to talk to us specifically about Secord's role in  
22 this, that it was being misunderstood or misrepresented.

23 Q After his call to you that morning, did you ask  
24 either the Attorney General or Mr. Trott or Mr. Weld whether  
25 someone could accompany you to the meeting: In other words,

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67

2

1 was that at your own instigation?

2 A Oh, yes. Absolutely. There was no way I was going  
3 to meet with Tom Green by myself.

4 Q Do you recall receiving any telephone calls from  
5 Mr. Weld or Mr. Trott or participating in any meetings with  
6 Mr. Weld or Mr. Trott regarding whether or not you should  
7 meet with Mr. Green alone?

8 A We had conversation. I can't remember -- I think  
9 it was Weld, but it may have been Trott also. There was  
10 conversation, one, on whether to meet with him; and then,  
11 two, who should attend. I don't think anybody was pressing  
12 that I meet alone. I think there was a unanimous agreement  
13 with the judgment that I made that I should meet with some-  
14 body. I can't remember anybody arguing for me to meet with  
15 him alone.

16 Q Were there any arguments made to you that you  
17 should not meet with Green?

18 A The question was raised. I raised the question  
19 initially whether it would be a good idea to meet with him,  
20 whether it was a problem given the criminal nature of this  
21 matter now, and I think Bill raised a question as to whether  
22 it made -- was a good idea to meet with him. I guess the  
23 question was whether he should meet with somebody other than  
24 me or whether I should be in the meeting.

25 Q And what did Mr. Weld tell you when he raised the

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68

3

1 question of whether you should meet with Mr. Green?

2 A Well, he wasn't very -- he didn't say much. Bill  
3 never does. He tends to sort of talk in half sentences and  
4 allusions. He wasn't very specific. I think he just raised  
5 the question, do you really think it's a good idea for you  
6 to meet with him, given the criminal investigation. I said  
7 I don't have any burning desire to meet with him, but I  
8 don't think Tom Green will talk to us if I'm not in the  
9 room. Therefore, in order to hear what he has to say, it  
10 might make sense for me to be there along with somebody  
11 else, and I think Bill said, well, Bill Hendrick would be  
12 the guy who ought to be with me. That was about the size  
13 of it, I think. I don't recall it being a big event or  
14 rather -- or even a contentious kind of discussion.

15 Q Moving ahead if I can for a moment to a meeting  
16 that occurred that afternoon at the Department.

17 A Yes.

18 MR. BOLTON: Why don't we take a break for a  
19 minute? I note it's 4 o'clock. How much longer do you  
20 have?

21 (Discussion off the record.)

22 BY MS. NAUGHTON:

23 Q I want to direct your attention to what is  
24 Exhibit No. 3 of the deposition. These are your notes of  
25 the Green meeting on the 1st of December and I'd like to

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4

1 direct your attention to page 4 of those notes and it's  
2 towards the bottom. There is a statement which starts,  
3 "What occurred was a spontaneous" -- is that "opportunity"?  
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70

3B 1 A Right.

CAS-1 2 Q "The opportunity as to contra aid was --", then  
DD-contd 3 what is the word?

4 A "-- unexpected result that emerged, not 'cooked up'  
5 by operatives."

6 Q Do you recall what he is telling you at that point?  
7 What does that mean?

8 A Well, I can't remember. What he is referring to  
9 there is the -- what he is referring to is that somebody  
10 other than the -- I gather other than Secord and Hakim and  
11 that group, presented the prospect that money -- that  
12 excess funds from these Iranian deals could be funnelled  
13 to the contras. That is what that seems to be saying.

14 Q Well, he had told you on the 24th that the idea  
15 for using the residuals came up in January of 1986 with the  
16 Israelis; is that correct? And now he seems to be telling  
17 you it was a spontaneous opportunity. Do you recall --  
18 did you get a sense at that time that it was a different  
19 version of events that he was telling you on the first as  
20 opposed to what he had told you on the 24th?

21 A No. I think what he is saying is the same thing.  
22 I think that he is -- I think the point he is making is  
23 that the spontaneous opportunity was one that arose because  
24 the Israelis were insisting that the price be maintained  
25 at a high level which meant that there was an excess that

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CAS-2 1 they had to do something with and so they moved it to the  
2 contras.

3 Q Well --

4 A In other words, I think there is a consistency there  
5 that comes through.

6 Q When you wrote the words on the first of December,  
7 "not covered up--"

8 A "Cooked up".

9 Q "Cooked up".

10 A "Cooked up".

11 Q "By operatives"?

12 A "By operatives".

13 Q What does that mean?

14 A Just what it says. He said the opportunity as  
15 to the contra aid was an unexpected result that emerged.  
16 I gather by reason of the fact that the Israelis wanted to  
17 keep the price up. That it was not, as he said, it was not  
18 an opportunity that had been cooked up by the operatives.

19 Q Who are the operatives he is referring to?

20 A Well, I surmise that it was Hakim and Secord and  
21 whoever else was involved in the private network. I think  
22 he says the same thing both times, as I read these notes.  
23 I don't see any inconsistency here.

24 Q Based on your recollection and your notes of the  
25 December 1st meeting with Mr. Green, can you give us a sense

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CAS-3 1 of what his pitch was to you on that date? Was he asking  
2 for immunity for Mr. Secord?

3 A I think that -- yes. I think that he was very  
4 much interested in an immunity grant to Secord, blanket  
5 immunity that would allow Secord to come in and tell his  
6 story and I believe Hendrick told him at one point that  
7 there is a problem even thinking about immunity given the  
8 status of things and prospects of independent counsel, but  
9 I think that was certainly his pitch. Tom Green was saying  
10 it is a risk if you give him immunity, I understand that,  
11 but what he is going to tell you is going to make this  
12 whole host of problems go away and you will be glad you did  
13 when it is over and it will justify itself for doing it,  
14 so take the risk and give him immunity.

15 Q Now, at that point at 11:10 a.m. on the first of  
16 December, what was your understanding regarding the  
17 decision to seek an independent counsel?

18 In other words, how close to your mind at that  
19 time was the Department to applying for an independent  
20 counsel in this matter?

21 A Well, we had -- this is -- what day is this?

22 Q It is a Monday.

23 A This is the weekend following?

24 MR. BOLTON: Right.

25 THE WITNESS: I think that there was a preliminary

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CAS-4 1 investigation. My sense is that by that time we were about  
2 to ask for an independent counsel. When did he do it,  
3 Wednesday?

4 MR. LEON: The fourth.

5 MR. BOLTON: The press conference was on the second.

6 THE WITNESS: I think that is right. That squares  
7 with my recollection.

8 BY MS. NAUGHTON:

9 Q If I can shift your attention to later in the  
10 day on December 1st, in the afternoon there is a rather  
11 large meeting that takes place with many people at the  
12 Department of Justice?

13 A Yes.

14 Q In which you participated according to notes of  
15 those meetings. Do you recall whether or not at that time  
16 the subject was discussed whether or not to apply for an  
17 independent counsel?

18 A Well, I don't know which meeting you are talking  
19 about. There were so many.

20 Q This began at 2:20 p.m. on December 1st, 1986.

21 A Who was there?

22 Q It included the Attorney General, yourself,  
23 Mr. Richardson, Mr. Cooper, Mr. Trott, Mr. Weld, Mr. Carver,  
24 Mr. Hendrick, representatives of the FBI, Mr. Burns.

25 A I am sure that that was a topic of conversation

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CAS-5 1 at that meeting.

2 Q Do you recall what other topics there were of  
3 conversation at the meeting?

4 A No.

5 Q Do you remember this as the last substantive  
6 meeting at the Department prior to the appointment --  
7 prior to the application of the independent counsel?

8 A No.

9 Q What other substantive meetings were there after  
10 this meeting?

11 A I don't know.

12 Q You just don't recall that that was the last one?

13 A I don't recall this one in juxtaposition to  
14 any other ones that might have taken place that day.

15 Q Okay. I had a few other questions in other areas  
16 I wanted to ask you about.

17 A Okay.

18 Q Are you a member of an organization called  
19 Friends of the Americas?

20 A Not that I am aware of.

21 Q Do you know a man named Woody Jenkins?

22 A Yes. I know Woody Jenkins.

23 Q Do you know whether or not he is affiliated with  
24 an organization called Friends of the Americas?

25 A I don't know.

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CAS-6

1

Q Can you tell us how you know Woody Jenkins?

2

A Can I tell you how I know him?

3

Q Yes.

4

A Not well.

5

Q Have you ever met him?

6

A Yes.

7

Q How did you come to meet him?

8

A At different functions where he has attended or

9

I have attended -- and I have attended.

10

Q Can you tell us what functions those were?

11

A Oh, gee. I think probably at a meeting or

12

meetings of a group called the National Policy Council.

13

Q Is that a private organization?

14

A Yes.

15

Q And what does the National Policy Council do?

16

A What does it do? It is a -- it provides a forum

17

for people to discuss issues.

18

Q Are there any particular meetings at which

19

Mr. Jenkins appeared as far as you know? On particular

20

issues?

21

A I am sure there are. In fact, I am trying to

22

remember. I think Woody may have been for a period of time

23

the Executive Director or the head of that group. No? Okay.

24

Maybe not.

25

Anyway, you say any particular ones, I don't know.

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CAS-7

1 Q Did you attend any meetings of that group that  
2 dealt with the issue of Nicaragua?

3 A I think so, yes. I think that is right.

4 Q Do you know who spoke -- was this one meeting or  
5 several?

6 A I think -- well, I think one. I think one. I am  
7 just not -- I have attended several meetings of the group.  
8 I think that has been a subject of discussion at the meetings  
9 but there is only one where I think it may have been an  
10 agenda -- well, I am not even sure that is true.

11 Q Do you recall anyone who spoke at the meetings  
12 regarding Nicaragua?

13 A Ollie North spoke at one meeting.

14 Q Okay. When was that?

15 A I don't recall.

16 Q Do you know if it was in 1984?

17 A I just don't recall.

18 Q Was this the first time you had seen him?

19 A No. I don't think so.

20 Q Had you heard him speak on the subject before?

21 A I think so. But I -- I think so.

22 Q Do you remember in what form?

23 A No.

24 Q Do you remember how many times you had heard him  
25 speak on the subject?

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CAS-8

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A No.

Q When you heard --

A I am not even sure I heard him speak on the subject before.

Q When you heard him speak on this occasion, do you recall -- first of all, was he a member of the National Security Council staff when he spoke to this group?

A I -- well, I think so, yes.

Q Did he show any slides?

A Yes, I think he did.

Q Do you recall what of?

A No. Well, what do you mean what of? I don't recall specific slides. They were generally related to pictures of either -- I think it was either Cuban or Soviet build-ups in Nicaragua.

Q What did Colonel North say his task or mission or involvement was regarding Nicaragua?

A I don't recall. I don't recall that he said that.

Q Were Richard Miller or Spitz Channell present at this?

A Not to my knowledge.

Q Did Colonel North ever suggest in any way that any of the people listening to his presentation could or should donate any money or materials for use in Nicaragua?

A No, he did not.

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CAS-9 1 Q Did you know Ellen Garwood?

2 A No.

3 Q Have you ever spoken to her or met her?

4 A I don't believe so. I may have -- well, I don't

5 believe so.

6 Q Do you know a man named Roy Godson?

7 A No.

8 Q Have you ever had any communications from Mr. Godson

9 that you are aware of?

10 A Not that I am aware of.

11 Q What about Terry or Clyde Slease, s-l-e-a-s-e?

12 A What about them?

13 Q Have you had any contact?

14 A Not that I am aware of.

15 Q Any correspondence with?

16 A Not that I am aware of.

17 Q Any telephone conversations from any individuals

18 by that name?

19 A Not to my knowledge.

20 Q Do you know whether or not any of them have been

21 in contact with the Attorney General?

22 A I don't have any knowledge one way or the other.

23 Q What about a man named Father Dowling, d-o-w-l-i-n-g?

24 A What about him?

25 Q Do you know him?

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CAS-10 1

A No.

2

Q Ever met or spoken to him?

3

A Not to my knowledge.

4

Q Ever received any communication from him?

5

A Not to my knowledge.

6

Q Have you ever heard of him?

7

A I don't believe so.

8

Q Have you attended any functions where funds for

9

the use by the freedom fighters in Nicaragua were solicited?

10

A Yes. I think on one or another occasion at the

11

National Policy Council meetings there has been a solicitation

12

of funds.

13

Q And who do you recall solicited the funds?

14

A I don't know that I have a name. It was people

15

in the private sector and they were soliciting funds of

16

people in the private sector. I don't have a recollection

17

of who was actually making the pitch.

18

Q When you say they were making a pitch to people

19

in the private sector, were you in the private sector at

20

the time you attended these meetings?

21

A No. But I also was not one of the ones who was

22

soliciting, by any stretch.

23

Q I guess what I am confused about is how were

24

these solicitations made? Were they made not to a group,

25

rather individually?

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CAS-11

1           A    No. It was to the group, but I attend an awful  
2 lot of conferences where, as a government official, I am  
3 asked to speak or participate and for the most part it is a  
4 private -- a collection of people in the private sector.  
5 The fact that I am asked to participate or attend doesn't  
6 change the characteristics of the audience and certainly by  
7 no stretch was anybody importuning me to contribute funds.

8           Q    Did you participate in such meetings where funds  
9 were solicited?

10          A    No. I did not.

11          Q    So when you attended these meetings where funds  
12 may have been solicited, you were attending not as a  
13 participant, but as a spectator?

14          A    Well, I would be participating on a different  
15 part of the program with regard to different issues having  
16 to do with my particular area, but not participating at  
17 all in that aspect of the program.

18          Q    When you say "on different issues", can you  
19 recall what that participation was?

20          A    Yes. I think that it had to do largely with  
21 civil rights issues. Affirmative action.

22          Q    Do you know Ambassador Whittlesey?

23          A    Very well.

24          Q    And have you visited with Ambassador Whittlesey in  
25 Switzerland?

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CAS-12

1 A I have.

2 Q Did you recuse yourself from the investigation at  
3 the Department of Justice on the issue of the independent  
4 counsel?5 MR. BOLTON: I am going to direct the witness not  
6 to answer that question on the grounds previously stated  
7 on numerous occasions that we do not discuss in any context  
8 internal Department deliberations on whether or not to seek  
9 appointment of an independent counsel.10 MS. NAUGHTON: I am asking did he recuse yourself  
11 from that deliberative process.12 MR. BOLTON: The instruction stands, as you  
13 well know, Ms. Naughton.14 MS. NAUGHTON: No, I don't, because the Attorney  
15 General answered that question and said Mr. Reynolds recused  
16 himself.17 MR. BOLTON: I don't recall that. I don't think  
18 I was in the room when he did. To the extent he knows, I  
19 will permit the witness to answer that question.20 THE WITNESS: That puts me in a bind. Has he or  
21 hasn't he.22 MR. BOLTON: I don't know. I won't answer the  
23 question.24 MR. LEON: That can be found out. We don't have  
25 the transcript in front of us.~~UNCLASSIFIED~~

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CAS-13

1 MR. BOLTON: Why don't you put that question on  
2 hold. We will check the transcript of the deposition and  
3 respond to you in writing if the Attorney General answered  
4 that question.

5 MS. NAUGHTON: I would like to pose my questions  
6 for the record so Mr. Reynolds may respond in affidavit  
7 form.

8 MR. BOLTON: We will respond the way we choose to  
9 respond.

10 MS. NAUGHTON: Then I am afraid we will have to  
11 call the Chair and get a ruling now.

12 MR. BOLTON: We are not going to wait. Your  
13 Chairman isn't in town. We have already stretched our  
14 obligations well past the four o'clock point I mentioned  
15 earlier.

16 MS. NAUGHTON: Sir, those are not our obligations.  
17 We had no idea you were leaving at four o'clock.

18 MR. BOLTON: You were informed earlier of that.  
19 If you want to look at it that way, that is the way it goes.  
20 If you want to put the questions in the record, go ahead.

21 MS. NAUGHTON: I will pose the questions and ask  
22 you for an answer, Mr. Reynolds.

23 BY MS. NAUGHTON:

24 Q Did you recuse yourself from the issue of whether  
25 to seek an independent counsel in the matter of the use of

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CAS-14 1 discretionary funds by Ambassador Whittlesey and the  
2 investigation into possible obstruction of justice charges  
3 by the Ambassador?

4 MR. BOLTON: The question is noted. We will take  
5 it under advisement.

6 BY MS. NAUGHTON:

7 Q Mr. Reynolds, would you please answer that?

8 MR. BOLTON: I have instructed the witness not to  
9 answer the question. That instruction stands. Your  
10 posing it directly to the witness gives me a lot of  
11 professional problems.

12 MR. LEON: Can we go off the record for a second?  
13 Pam, may I talk to you about this?

14 MS. NAUGHTON: I need something on the record  
15 that he refuses to answer that question.

16 MR. BOLTON: He is not refusing to answer the  
17 question. I am directing him not to answer the question.

18 MS. NAUGHTON: Okay. My next question.

19 MR. LEON: Can we go off the record for a second?  
20 May I ask you a question about this area of inquiry?  
21 (Discussion off the record.

22 MS. NAUGHTON: Okay. Back on the record.

23 BY MS. NAUGHTON:

24 Q My second question to you, Mr. Reynolds, in this  
25 area is if you did, assume you did recuse yourself from

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CAS-15

1 that deliberation, why?

2 MR. BOLTON: Question noted and taken under  
3 advisement.

4 BY MS. NAUGHTON:

5 Q Do you refuse to answer it at this time?

6 MR. BOLTON: He is directed not to answer it.

7 BY MS. NAUGHTON:

8 Q Thirdly, I would ask whether or not you were  
9 at all involved in the expenditures of the discretionary  
10 fund while in Switzerland?

11 MR. BOLTON: Question noted and taken under  
12 advisement.

13 MS. NAUGHTON: Okay. I have no further questions.

14 MR. BOLTON: I would also note -- not only note it,  
15 but so this record is complete, they are about as irrelevant  
16 to anything in connection with this investigation that I  
17 can imagine.

18 MS. NAUGHTON: Well, I would like to note for the  
19 record that I have evidence that it is not irrelevant.

20 MR. BOLTON: What is your evidence?

21 MS. NAUGHTON: I do not have to state what the  
22 committee's evidence is to you, sir.

23 I have no further questions.

24 MR. LEON: I would note for the record that in a  
25 sidebar conversation, without revealing its contents, that

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CAS-16 1 I was concerned about the possible relevancy of it and  
2 Ms. Naughton did state some factual basis with which I am  
3 personally unfamiliar. I have no reason to doubt their  
4 accuracy as to why she wanted to proceed into the area;  
5 and while I might have had some doubts, I would not -- did  
6 not reach the level where I felt it was necessary to  
7 object at this stage. So for the record, it is worth noting  
8 that the concern of the Department of Justice was  
9 certainly one that was also evident to others.

10 MR. BOLTON: Let me say since counsel other than  
11 Ms. Naughton may not have been present when I interposed this  
12 objection before, we have not revealed internal deliberations  
13 on independent counsel matters even to the committees which  
14 are considering re-authorization of those matters so that --  
15 and by that I mean the House Judiciary Committee and the  
16 Senate Governmental Affairs Committee, as well as the Senate  
17 Judiciary Committee.

18 These committees are being treated no differently  
19 even than the authorizing committees which have not received  
20 answers to those questions. We do that on the basis of the  
21 spirit of the confidentiality protections built into the  
22 independent counsel statute and to avoid the unnecessary  
23 tarnishing of people's reputations.

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CAS-17

EXAMINATION ON BEHALF OF HOUSE SELECT COMMITTEE

BY MR. LEON:

Q Perhaps in that regard it might be worth asking Mr. Reynolds this question.

Mr. Reynolds, did you have any dealings, have you had any dealings with Ambassador Whittlesey that to your knowledge relate to, in any way, shape or form, the Iran initiative that has been previously defined to you for the purposes of this deposition?

A None whatsoever at any time.

Q And in that regard, taking that line of inquiry one step further, and again, Mr. Bolton is here to advise you in that regard if I am going too far, in your dealings with Ambassador Whittlesey, did -- do you recall if Colonel North came up in the course of those dealings with her in any way with regard to the Iran initiative or even just Nicaragua in general, Central America in general?

A In my dealings with Faith?

Q Yes.

A No, never.

Q Okay.

A Except that I will have to say that certainly his name came up, since it was a matter of topical conversation on the lips of a lot of people and I talked to Faith since the -- since he became a prominent fixture in

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CAS-18

1 connection with this, and so his name was certainly in a  
2 conversation -- his name was raised.

3 MR. BOLTON: This is after November 1986?

4 THE WITNESS: Yes.

5 MR. LEON: I meant before.

6 THE WITNESS: I meant after. I don't want to  
7 leave the record in a place where it might suggest that  
8 she and I in conversations never mentioned Oliver North's  
9 name.

10 As I understood your question, did she or I have  
11 conversations relating to whatever North was doing or might  
12 not have been doing vis-a-vis the Iranian initiative? No,  
13 we never talked about it.

14 BY MR. LEON:

15 Q Or even Nicaragua, for that matter?

16 A Or Nicaragua.

17 Q Okay. Let me see if I can ask you ten minutes,  
18 fifteen minutes worth of questions. I will move quickly.

19 With respect to the -- I am just going to go  
20 chronologically as to how it has been -- it has proceeded  
21 from the outset.

22 With regard to the Civil Rights Division which you  
23 are in charge of as Assistant Attorney General, you oversee  
24 as part of your responsibilities the Criminal Section of  
25 the Civil Rights Division, do you not?

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CAS-19

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A That is correct.

Q The Civil Rights Division, Criminal Section, makes decisions, does it not, on a regular basis whether or not to initiate grand jury investigations?

A That is correct.

Q On whether or not after initiating grand jury investigations whether or not to seek indictments?

A Right.

Q And whether or not after indictments have been sought to dismiss indictments because of factors relating to the evidence of a case from time to time?

A On occasion.

Q And as Assistant Attorney General overseeing the Criminal Section of the Civil Rights Division, have you not had experience and responsibility in reviewing and evaluating those decisions whether or not to seek the grand jury and whether or not to seek indictments after a grand jury has been empaneled?

A Certainly. And on occasions I have been called upon to make those decisions in the first instance.

Q And just roughly how many attorneys are there in your Criminal Section?

A I think it is about -- I would say 21 or 22.

Q The decision whether or not to prosecute a criminal case in the Civil Rights Division is a rather common decision

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CAS-20

1 that is made on a regular basis and reviewed up the line in  
2 that division, is it not?

3 A Well, it is a common decision. There are many  
4 prosecutions that are not reviewed up the line, but there  
5 also are others where I personally have to become involved  
6 in order to make the decision whether we should move forward  
7 with either a grand jury presentation or a prosecution.

8 Q Those decisions are made after reviewing and  
9 analyzing the evidence that has been amassed over a sustained  
10 period of time?

11 A That is correct. And in addition to that, there  
12 have been occasions where I actually have been involved in  
13 different features of the investigation. Just because as  
14 head of the Division you do have some prerogatives to get  
15 involved in different cases as they go. So I have had  
16 some exposure to different criminal investigations where I  
17 have had personal involvement.

18 Q With respect to your experiences in private  
19 practice, as they may bear upon the task, the Attorney  
20 General asked you to assist him with on that weekend in  
21 November of 1986 as an attorney in a private law firm,  
22 were you not called on from time to time to conduct  
23 detailed inquiries, factual inquiries into complicated  
24 factual situations on behalf of the clients of that firm?

25 A Certainly. In fact, what we were doing over that

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CAS-21

1 weekend was far more conducive to the kind of practice that  
2 I had in the private sector, which was non-criminal, but  
3 a commercial litigation practice, and the inquiry we  
4 undertook over that weekend was also non-criminal and  
5 was investigated in terms of fact-gathering and was  
6 precisely the kind of thing I have been doing for about  
7 20 years.

8 Q And that includes, of course, the reviewing and  
9 evaluating of complicated documents and intricate, factual  
10 situations as set forth in documents, does it not?

11 A That is correct.

12 Q And as a private practitioner, you have had the  
13 responsibility and as a litigator in private practice you  
14 have had the responsibility on a regular basis to evaluate  
15 the credibility of witnesses who would appear on behalf of  
16 your client as well as witnesses who would appear against  
17 your client, client's interests, have you not?

18 A Right. Both in court and out of court.

19 Q You have conducted depositions as a private  
20 attorney, Mr. Reynolds?

21 A Far too many.

22 Q And those were depositions under oath, were they  
23 not?

24 A Certainly were.

25 Q They were on many occasions confrontational,

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CAS-22

1 were they not?

2 A I don't like to admit that, but I have to admit  
3 that is probably true.

4 Q And they were an investigative tool, were they  
5 not, in the representing of your client's interests?

6 A Absolutely.

7 Q And you had to assist the credibility of the  
8 deponents you were conducting the deposition of, did you not?

9 A All the time; that is correct.

10 Q Could you just give us an approximate number,  
11 an approximate number, would you say you have conducted  
12 hundreds of depositions?

13 A I would say that is fair.

14 Q Approaching thousands, perhaps?

15 A I don't want to go that far. It is certainly in  
16 the hundreds. I might be pushing a bit if I say a thousand.  
17 A large number, that is for sure.

18 Q And you have had the responsibility in private  
19 practice to supervise the litigation of younger attorneys  
20 under you in the conducting of depositions and in the  
21 litigating of cases, have you not?

22 A That is correct. I might also add that a large  
23 part of that practice has also included reviewing documents  
24 ad nauseum.

25 Q Now, with regard to just a couple of questions on

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CAS-22 1 the events of that weekend in November, you have testified,  
2 I believe, that you did not witness any shredding take  
3 place whatsoever during the time that you were in  
4 Colonel North's office reviewing documents; is that correct?

5 A That is correct.

6 Q You didn't witness any shredding -- strike that.

7 You did not witness -- is it fair to say you did  
8 not witness any events transpiring that suggested the  
9 possibility that shredding was going on in that suite?

10 A Well, I can say quite emphatically when I was in  
11 that suite there was no shredding going on whatsoever by  
12 anybody. The shredding machine was not turned on.

13 Q And you had no basis to even suspect that it was  
14 going on?

15 A That is correct.

16 Q When you located the memorandum that has been  
17 so faithfully characterized as the diversion memorandum,  
18 smoking gun memorandum, I recall you testifying that you  
19 made some form of explanation to your colleague,  
20 John Richardson, who was sitting across from you; is that  
21 right?

22 A That is correct.

23 Q Nobody else was in the room with you at that time?

24 A No. There was no one else in the room.

25 Q If the Colonel was situated outside of the room,

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CAS-23

1 are you confident that the power with which you projected  
2 your exclamation was such that he couldn't hear it?

3 A I am confident that he did not hear it. It was not  
4 said loudly or in a tone that I think would have suggested  
5 he heard it nor did he poke his head around the door.

6 Q So you are satisfied that nothing that you did  
7 with regard to what you said or nothing you did subsequently  
8 brought to their attention the fact that you had located this  
9 particular document?

10 A Well, I am confident of that. Because we actually  
11 left the document among the other documents when we went to  
12 lunch and we came back and it was where I placed it and  
13 copied it afterwards. So I am quite confident that nobody  
14 was alerted to the fact that we had found this  
15 document at the time we found it or indeed thereafter until  
16 such time as we showed it to North on Sunday afternoon.

17 Q You said you found that memorandum or at least one  
18 form of that in a manila folder that had a red -- I think  
19 you said red White House sticker on it?

20 A In red ink, it had written W.H. on the flap.

21 Q But the other additional versions you found were  
22 not in similar folders; is that right?

23 A That is correct.

24 Q Mixed in with other documents?

25 A Right.

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CAS-24 1

2 Q When you sent the one to be xeroxed, that was in  
3 that folder, did you remove the folder from -- along with it  
4 and place it in the pile in the folder or did you remove  
5 it from the folder?

6 A Removed the document from the manila folder.

7 Q Okay. Was Mr. Thompson present after you returned  
8 from lunch at any time? Do you recall?

9 A I don't believe he was.

10 Q So your recollection is you only saw him that  
11 morning?

12 A I think that is right. I think that is correct.  
13 I spoke to him on the phone in the afternoon.

14 Q Let me ask you this for the record, Mr. Reynolds.  
15 There has been already and will be, I am sure, much  
16 Monday-morning quarterbacking about the investigation you  
17 were involved in on that weekend, and I would like to give  
18 you the same opportunity that I afforded your colleague,  
19 Mr. Cooper, when we did his deposition. I would end by  
20 just simply asking you if you would like for the record  
21 to give some statement, however brief or long, you would  
22 like that you might feel helps to capture the sense of  
23 urgency, exigency, pressure the four of you were acting  
24 on during that weekend as the facts were unfolding to you  
25 and the gravity of the facts as they were unfolding to you  
as they related to the Office of the Presidency and the

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CAS-25 1 National Security Council. So if you would like, I would  
2 give you an opportunity to just state your sense of that  
3 situation as you felt it, as you were going through it on  
4 that weekend.

5 A Well, it was a most hectic weekend. I think that  
6 the four of us, including the Attorney General, saw the  
7 task as the -- the fact-gathering task as a monumental one,  
8 especially to be completed in the time frame that we had to  
9 complete it. My sense is that there was an awful lot that  
10 needed to be done and an awful lot was done in a very short  
11 period of time. I think it was our sense that it was as  
12 about an important an endeavor that had been undertaken  
13 by the Department simply because there were so many  
14 apparent conflicting stories and so many pieces of this  
15 puzzle that were compartmentalized that no accurate  
16 depiction of the entire affair was available and our sense  
17 was that to gather the facts and get out some comprehensive  
18 statement of what the whole Iranian initiative was about,  
19 it was of critical importance to not only the  
20 Administration, but to the American public at large.

21 What was done my sense is, notwithstanding all  
22 the Monday-morning quarterbacking, a pretty extraordinary  
23 piece of investigatory work, given the fact that we didn't  
24 have the benefit of 20/20 hindsight going in, I think that  
25 it is accurate to say, especially in light of all that has

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CAS-26 1       transpired, that in the space of that 72 hour period, a  
2       very intricate and complicated set of facts were discovered  
3       and put together in a way that was born out subsequently  
4       to be extraordinarily accurate, to the point where there  
5       was very little discrepancy at the conclusion of the hearings  
6       conducted by the committees and the rendition of facts  
7       that was outlined by the Attorney General on the Tuesday  
8       following our weekend efforts.

9               And ours was done without the benefit of several  
10       other congressional hearings and the Tower Commission  
11       inquiries that took place that helped to benefit some of  
12       the inquiry that went on in this committee.

13              So my sense is that it was a monumental task  
14       done under the most difficult of circumstances within the  
15       shortest time frame that one can imagine and took nonstop a  
16       period of 72 hours with four people and I guess actually  
17       we should give some credit to John McGinnis who was a  
18       fifth person that was involved in some of the document search.

19              But five people to pull together this divergent  
20       sort of unconnected story and connected it up and resolved  
21       it in terms that has held up over time in a way that I  
22       think probably is a better answer to all the Monday-  
23       morning quarterbacking than anything else I could say.

24              Q     Well, I want to, on behalf of the House Minority,  
25       certainly, I want to take this opportunity, Mr. Reynolds,  
      to note on the record and thank you for your extensive

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CAS-27 1 cooperation.

2           You have sat patiently through two very lengthy  
3 interviews prior to engaging in these depositions and this  
4 is the second deposition, also lengthy, and I would just  
5 like to thank you for your cooperation in light of your  
6 extremely busy schedule and heavy other collateral  
7 responsibilities at the Department of Justice.

8           Thank you very much.

9           EXAMINATION ON BEHALF OF SENATE SELECT COMMITTEE

10          BY MR. MCGOUGH:

11          Q    On that cordial note, let me ask you a few questions,  
12 if I might. Going back to an area Ms. Naughton touched  
13 upon and also Mr. Leon, that is something of your background.  
14 While you were -- while you have been at the Department of  
15 Justice, have you been involved in any national security  
16 or intelligence matters other than the Iranian initiative?

17          A    Yes. I have, at the request of the Attorney  
18 General, done a number of sort of discrete projects  
19 relating to the whole national security area.

20          Q    Can you give -- not necessarily the subject  
21 matter of those projects, at least what your role was,  
22 whether it was a policy -- formulation of policy, whether  
23 it was legal advice? Can you give us some more information  
24 about that?

25          MR. BOLTON: I am not going to object to that

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1 question, but I would note that the answer that it would  
2 necessarily elicit would be a further demonstration of  
3 why this deposition needs to be classified. I would ask  
4 the witness if he can respond to that in general terms  
5 without necessarily getting into the substance of any of  
6 the specific projects.

7 I personally don't have knowledge of all the  
8 projects. I do know that they are not Iran-contra related.  
9 I would be somewhat concerned both as to the level and  
10 compartmented nature of the classification that may be  
11 involved.

12 With that, hopefully with that clarification,  
13 I would permit the witness to answer the question.

14 BY MR. MCGOUGH:

15 Q Let me make two statements for the record. One,  
16 I wouldn't have raised it except the Attorney General  
17 mentioned it in his deposition as a reason for selecting  
18 Mr. Reynolds for the fact-finding team.

19 MR. LEON: It is public testimony, too.

20 MR. MCGOUGH: The second is we are certainly  
21 not interested in anything after November of 1986. We  
22 can focus time-period-wise on it, as far as the time  
23 period goes, on matters that may have arisen before November  
24 of 1986.

25 THE WITNESS: Well, I will try it this way.

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CAS-29 1 We can take it from there. Basically there have been  
2 different discrete projects in the national security area  
3 that the Attorney General has asked me to provide assistance  
4 on which has generally fallen into the area of coordination  
5 of information, development of information, and advising  
6 him on different responses that might be requested from  
7 the Department of Justice.

8 There has been an overall participation in the  
9 general administrative management issues relating to the  
10 Department of Justice's overall role in national security  
11 matters.

12 We have a number of people in the Department  
13 that touch base with the NSC at different levels on  
14 different projects in different meetings. One of the  
15 things that is essential in that kind of involvement is  
16 to have a coordinated sort of centerpiece for dealing with  
17 all of those issues, keeping track of them, coordinating  
18 them, making sure who is at which meetings and briefings  
19 of the Attorney General where that is necessary, et cetera.

20 BY MR. McGOUGH:

21 Q Are we now speaking of the time period before  
22 November 1986 as well as the time period after?

23 A Absolutely. I have been involved very directly  
24 in that whole coordinated effort dealing with the  
25 administration and management aspects of the Department

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CAS-30 1 of Justice's quite comprehensive participation in  
2 national security affairs.

3 Q How about intelligence matters? Do you draw a  
4 distinction between national security matters and intelligence  
5 matters?

6 A You can. I mean, there are a number of  
7 intelligence matters that do not relate to national security  
8 matters and there are some that overlap.

9 Q Have there been instances of these discrete  
10 projects where -- that you would consider an intelligence  
11 matter but not a national security matter in which you  
12 have been involved, and again, prior to November of 1986?

13 A Generally, yes. That would be fair to say.

14 Q Have you ever had occasion to work with the CIA on  
15 a project?

16 A Not directly.

17 Q I think you mentioned the NSC before in your  
18 earlier answer?

19 A Right.

20 Q Did you ever have direct contact with the NSC  
21 in any of these projects you were doing prior to November  
22 of 1986?

23 A With people at the NSC?

24 Q Yes.

25 A Not as such, no. Well --

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1

MR. BOLTON: You mean NSC staff?

2

MR. McGOUGH: Yes.

3

THE WITNESS: Not NSC. No. I think -- no.

4

BY MR. McGOUGH:

5

Q Speaking of the NSC staff, could you tell me when you first met Oliver North? First had contact with him?

8

A Golly, I don't know that I can tell you that. It was in the first term.

10

Q Can you remember the occasion for your contact?

11

A No. I really can't. The first time? I don't know. I really don't. You mean people going and coming. If you were wondering whether it was in an official meeting or something of that sort, I think not.

15

Q Outside the Iran initiative, what official contact did you have with Colonel North?

17

A None.

18

Q Never served on any interagency groups or anything like that?

20

A No.

21

Q Were you aware of his, as they call them, accounts at the NSC, that is, the areas he was responsible for at the NSC?

24

A No.

25

Q Specifically, terrorism and Central America?

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CAS-32

1 A Well, yes. Sure. Because it was public knowledge  
2 that he was involved in some activities regarding Central  
3 America.

4 Q As a matter of fact --

5 A And I think also it was public knowledge on the  
6 Grenada, after that became public. So when you say was  
7 I aware, I was aware to the extent that those were items  
8 that were publicly available and I had read about them.

9 Q Were you aware of allegations in the press that  
10 Colonel North -- this would be prior to November of 1986 --  
11 that Colonel North was involved in the resupply of the  
12 contras?

13 A Again, to the extent that there was public  
14 information of that kind, I probably was aware of it.

15 Q Let me ask the question I should have asked  
16 earlier. That is, outside of the official channels in  
17 which you might have met Colonel North, in what channels  
18 did you meet him? You said you had not had any professional  
19 contact.

20 A There were a number of different functions the  
21 White House had on different matters. There were  
22 conferences the two of us could have attended. There were  
23 certainly social events we attended.

24 Q Did you consider him a friend or an acquaintance?

25 A No. I knew who he was. I suspect he didn't know

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CAS-33 1 I was. Actually, that is not fair to say. He would  
2 know me to know me, but it wasn't -- it was not like he  
3 was a close friend.

4 Q At the first portion of the deposition, there was  
5 some discussion about what had been marked as EM-38,  
6 Exhibit EM-38, which were at least in part your notes of  
7 the -- Mr. Bolton's debriefing on the Casey testimony.

8 A First page.

9 Q First page. What I wanted to get to was the  
10 second page and particularly the reference which I believe  
11 reads, "were TOW missiles redirected to the contras". That  
12 is at the bottom of the second page. I have a copy of it.

13 My question really is going to be, can you give  
14 us any better idea when that might have been written in the  
15 course of the weekend? I don't know that we really  
16 pinned it down the last time.

17 A I am not sure that I can pin it down. It says  
18 "things to look at". I just don't have any good sense  
19 of when that was written.

20 Q Is it fair to say it was after you saw the  
21 diversion memorandum?

22 A I don't know. I really --

23 Q Would you have been looking --

24 A I don't know --

25 Q My question really is why would you have had any

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1 reason to contemplate redirecting TOW missiles to the  
2 contras prior to seeing that diversion memorandum on  
3 Saturday morning?

4 A Well, I don't know that the diversion memo would  
5 have tipped me off to this. I am not sure this was -- is an  
6 entry that has any particular relevance to the diversion  
7 piece.

8 Q So it could have been written prior to the  
9 diversion memorandum? I don't want to mischaracterize your  
10 testimony.

11 A I don't know when it was written. My sense is  
12 that it -- I don't know when it was written. I can't place  
13 it before or after or whatever.

14 Q You can't place it before or after the diversion  
15 memo?

16 A The diversion memo doesn't suggest to me that that  
17 that this might or might not have come before or after.  
18 That is all I am saying.

19 Q I understand. I am not suggesting the diversion  
20 memo was a catalyst for that. Can you think of any  
21 reason why you would have been contemplating that possibility  
22 before the topic -- before the diversion memo came up?  
23 To be quite frank, it is a jarring reference in the notes  
24 that would be rather important it would seem if it were  
25 made prior to the time the diversion memo was seen.

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CAS-35 1

A Nothing triggers.

2

Q Nothing on the page helps you establish?

3

A No. I don't know where it -- I don't know.

4

Q All right. I think we have pumped that one dry.

5

I believe during the first session you said that

6

after lunch -- this is on Saturday -- after you had seen

7

the diversion memorandum, after lunch, you went back to

8

double-check the other two memoranda that you had seen to

9

be sure that the diversion reference was not there. You

10

once again went back after lunch to look at the other versions

11

A That is my recollection.

12

Q Did you find it strange there were versions

13

without the reference to the diversion in it?

14

A No.

15

Q Did you assume at that point that they were

16

different versions of the same memorandum?

17

A Yes. My assumption was they were drafts,

18

including this one. I am sorry. Including the diversion

19

memo was a draft. In fact, my recollection was that

20

"draft" was written on one of them.

21

Q But not on the diversion memo? Or do you recall?

22

A That is right. I think not written on the

23

diversion memo.

24

Q Did you get any feel for the time sequence in

25

which the drafts might have been written? In other words,

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CAS-36 1 whether the diversion memo, the one contained the diversion  
2 paragraph, was written before or after the other ones?

3 A My assumption was it was after.

4 Q Why was that?

5 A Because it had a new piece of information.

6 Q And it also had a handwritten correction on it,  
7 did it not?

8 A It did have. That is right.

9 Q Changing the date?

10 A The 14th to the 13th. Or the 13th to the 14th,  
11 whatever it was. The 14th.

12 Q In every other respect, I think you testified  
13 except for the stamp "draft", as far as you could tell,  
14 the two memorandum were identical?

15 A I think that is correct. I didn't word-for-word  
16 it, but I think they were essentially the same.

17 Q Did you attempt to go through or think through  
18 the money, the disposition of the money in the memoranda  
19 that didn't include the diversion reference? If they were  
20 identical and the only difference was one had a reference  
21 to diverting \$12 million and the other didn't, would that  
22 not leave a rather large sum of money unaccounted for?

23 A Well, again, my assumption was they were drafts  
24 so that would operate on a different assumption. Your  
25 question operates on a different assumption. So I did not --

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CAS-37 1 that was not something that occurred to me at the time  
2 because my frame of reference was that I was seeing  
3 essentially three drafts as they were being put together  
4 and this was the latest draft which added a piece.

5 Q So the diversion memorandum you viewed as the  
6 latest draft?

7 A Right.

8 Q When the Attorney General showed Colonel North  
9 the diversion memo at the interview, and I believe there  
10 was some testimony by the Attorney General in public  
11 session and elsewhere that Colonel North did not initially  
12 register surprise until the diversion reference was pointed  
13 out to him --

14 A Right.

15 Q And that when, in fact -- is that he, in fact, was  
16 looking at the memorandum itself for a while before the  
17 diversion memorandum was -- the diversion paragraph was  
18 pointed out; is that correct?

19 A For a period of time. Brief period of time.

20 Q And it was only when he saw the diversion  
21 paragraph that he registered surprise?

22 A That is right.

23 Q From that did you conclude he was surprised not  
24 by the existence of the memorandum as a whole, but by the  
25 reference in the memorandum to the diversion?

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CAS-38 1

A Well, the reference to the diversion is what surprised him. It seemed to me that his registering of surprise was over the fact that there was a memorandum that had that reference in it.

5

Q From that, did you draw any conclusions as to whether documents had been altered to delete references to the diversion?

8

A No. No.

9

Q The diversion memorandum was, as you concluded, the latest in a series of drafts?

10

11

A That is what I concluded, right.

12

Q Colonel North was registering surprise that the memorandum you showed him had that reference in it; is that correct?

14

15

A That is what it appeared to us, yes. To me.

16

Q He admitted to you that, in fact, the diversion had occurred, is that right?

17

18

A Right.

19

Q How else could you interpret his surprise at seeing the diversion paragraph in the memo if not surprise that it had not been removed?

21

22

A Well, I guess I didn't draw any conclusion as to altering one way or the other. It occurred to me that he was surprised when confronted with this piece of information.

24

25

Q But not surprised by the memorandum itself, just

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CAS-39

by the inclusion of that paragraph in the memorandum?

2

A Well, I am not sure -- I am not sure I understand

3

your question. What do you mean by the memo -- when he

4

first was handed the memo, he registered no surprise.

5

Q Right.

6

A When that part of the memo that had the residual

7

funds referenced was pointed out to him, he registered

8

surprise. I am not sure whether that answers your question

9

or doesn't answer your question.

10

Q I think it does, but I guess my question is how

11

did you interpret his surprise if not that he was surprised

12

that this memorandum still had a reference to the diversion

13

in it?

14

A Well, we didn't speak to him about other versions

15

of the memorandum.

16

Q But you were aware there were other versions?

17

A I was. Whether he was, I don't know.

18

Q I am trying to probe your own interpretation of

19

this.

20

A I didn't draw any -- my sense of it was that

21

there had been an awful lot of discussion about -- and

22

intense sort of probing on this matter for a period of

23

three weeks. Nobody had mentioned the residual fund

24

component and when we confronted him with it, it was sort

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of a whole new feature that had been nowhere on the

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CAS-40 1 horizon and he had prepared a rather lengthy chronology  
2 and had made no reference to it.

3 Q And had, in fact, prepared a series of  
4 memoranda or drafts of memoranda, one of which, the latest  
5 of which, as far as you could see, had the reference to  
6 the diversion in it?

7 A He -- apparently that is so. Certainly the one  
8 that had the diversion in it he had prepared. But he had  
9 not -- my point is that from November 4th, when this story  
10 broke, until November 22nd, when we sat down and talked to  
11 him, there had been an unbelievable amount of scrutiny given  
12 to this whole affair. Everybody in the press wanted to  
13 be another Woodward and Bernstein. They were killing  
14 themselves to uncover anything they could.

15 This is not a piece that at any point had popped  
16 out at all and nobody had suggested even remotely there was  
17 anything like this that was tied to it. I assumed when he  
18 had the -- and we had not seen anything but this one  
19 reference in the memo. We handed him the memo. When it  
20 was pointed out to him he expressed surprise.

21 My only assumption at that point was that  
22 was the only memo that had that in there and that he was  
23 surprised that somebody had come upon it and put it in  
24 front of him, confronted him.

25 Q At the outset --

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CAS-41

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A I know now there was much more reason for his surprise, but when we were doing your inquiry, we were surprised and we asked him, and he showed surprise.

Q At the outset of the interview, the Attorney General took a few minutes, according to Mr. Richardson's notes, to warn or to caution Colonel North about the importance of getting the truth out and not to have a cover-up and that sort of thing. Was that discussed prior to -- was that opening discussed prior to the initiation of the interview among yourself and the Attorney General, Mr. Cooper, and Mr. Richardson?

A No. But the Attorney General did that in every interview. He started every one of his interviews that way.

Q Which interviews were you present for?

A I was not present at any of them other than North.

Q Did you find it surprising that the Attorney General took that approach in the case?

A No. I think I would have found it surprising had he not taken that approach. That was the whole thrust of what we were about the business of doing.

Q After Colonel North was shown the diversion memo, and the diversion paragraph was pointed out to him, I believe Mr. Richardson's notes reflect at page 15 an

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CAS-42 1 exchange that we discussed before. Ms. Naughton discussed  
2 it with you. That is an exchange where the Attorney General  
3 said if R.R. approved it, you would have it. Apparent  
4 answer, yes, I don't think it was. Apparently a question that  
5 has been attributed to the Attorney General: other files  
6 there it could be in to verify that it didn't go forward?  
7 Then there is the note "O.L.N. will check". Do you recall  
8 Colonel North saying he would go back to check to see if  
9 there were other files in which presidential approval might  
10 be found?

11 A I think that is accurate. My general recollection  
12 is as it is stated there and as the Attorney General  
13 stated it.

14 Q Did you find that disquieting at all that  
15 Colonel North would go back to the files and look through  
16 them to determine whether a document existed reflecting  
17 presidential approval?

18 A Well, that isn't really what he said or what we  
19 asked. I think that is what the Attorney General said.  
20 The point was really whether there were other files that  
21 we had not had made available to us that housed presidential  
22 approvals and North said he was not aware of that and we  
23 asked him if he would check to see whether there were  
24 such files.

25 It was not that he was sent on a mission to go back

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1 and review files for a particular document and check to see  
2 if it was there and if so, we would then get the benefit of  
3 it. It was really for him to check to see whether there  
4 was some other repository of documents that would be  
5 where such a document, if it existed, would be located and  
6 North said he would check to ascertain whether there was  
7 such a set of files or a file cabinet or a file drawer,  
8 whatever. That was the sense of the question and the answer.

9 So we did not at any time -- and I think this is  
10 true of all four of us, and I think it has been pretty  
11 much reaffirmed, that nobody viewed that colloquy as  
12 sending North on a mission to go do our work of reviewing  
13 documents but rather to make an inquiry to see whether  
14 there were some other cache of documents in Poindexter's  
15 office or in the White House generally where we should  
16 undertake a further review of documents.

17 Q Nevertheless, when Colonel North left the  
18 office, there were certainly no instructions given to him  
19 not to return to his office and not to go back to his files,  
20 were there?

21 A No.

22 MR. LEON: Was there any reason for you to think  
23 that he would destroy documents in any way, shape or form?

24 THE WITNESS: No.

25 MR. LEON: Was there any reason for you to suspect

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1 at that point that he was in a state of mind that would  
2 see some advantage to destroying any documents? Official  
3 or otherwise?

4 THE WITNESS: Well, no. From our standpoint,  
5 the document production had already taken place. He had  
6 made available to us all the documentation that he had  
7 that was at all relevant, and so we had no reason to think  
8 if he was going to destroy documents that they wouldn't be  
9 documents we were interested in anyway. He had made all  
10 of that available to us.

11 BY MR. MCGOUGH:

12 Q We can also agree, can we not, over the course of  
13 the prior few days Colonel North had concealed quite  
14 actively the existence of the diversion from Director  
15 Casey, the meeting, kept it out of the chronology,  
16 didn't mention it to you until he was shown the  
17 paragraph in the diversion memo, and in fact, expressed  
18 surprise when the diversion was put in front of him. It  
19 was only at that point that he mentioned any connection  
20 with the contras and the Iranian initiative? Is that fair  
21 to say?

22 A Yes. That is certainly the case.

23 Q So it was not just a matter at this point in the  
24 interview where Colonel North had been -- of not volunteering  
25 until this point? He had actively concealed --

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A We didn't know that.

2

Q You knew it wasn't in the chronology?

3

A Right.

4

Q And you knew up until that moment in the

5

interview that he had not mentioned that, is that fair to say?

6

7

A Sure. That is right.

8

Q And Mr. McFarlane hadn't mentioned it?

9

A Right.

10

Q And when shown the diversion paragraph, he

11

noted surprise and at that point began to admit to the facts of the diversion? And only at that point; is that right?

13

14

A Yes. I mean that was the first that we had any

15

discussion of the diversion. I am not sure -- there was

16

nothing that alerted us to the fact that he had

17

concealed anything. His story on the conversion -- on the

18

diversion was at that time to us that the Israelis had

19

made a profit on the sales and that Israelis had, therefore,

20

taken it upon themselves to move what he called Israeli

21

or Iranian funds that had been paid to the Israelis on

22

their own to the contras. So even as he explained it

23

to us, and with the memo, it was not explained in terms of

24

a diversion of funds in his view or until we did some

25

more looking into it from all appearances on the surface

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CAS-46 1 in our view.

2 In other words, it was not, as he explained it,  
3 it was an Israeli initiative to send money to the contras,  
4 his involvement only telling them what accounts to put it  
5 in so as to complete that transaction.

6 So even in those terms, it would not have been  
7 suggested to us on the surface at that time that it would  
8 necessarily have appeared in the chronology.

9 Q We can agree, can we not, though, that everyone  
10 at the lunch table at the Old Ebbitt Grill on Saturday  
11 recognized the importance of that fact?

12 A Absolutely.

13 Q And also recognized that was the first time anyone  
14 associated with the initiative and the fact-finding,  
15 including Colonel North, had mentioned that diversion to  
16 anyone?

17 A That was the first time anybody had any notice of  
18 it, right.

19 And I am not quarrelling with what you are saying,  
20 except there was nothing that alerted us to an overt  
21 concealment on North's part. That is all I am saying.  
22 At the time we were talking about.

23 Q You mean on Sunday afternoon?

24 A Yes.

25 Q Despite his participation within the meeting

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CAS-47

1 with Mr. Casey on November 20th?

2 A Except that the only thing that came up there  
3 and the focus of that meeting on the 20th, as I understand  
4 it, was what knowledge the United States had with regard  
5 to the 1985 shipment of oil drilling parts which turned  
6 out not to be oil drilling parts. So it was not the kind of  
7 conversation that would have focused on this particular  
8 piece which happened in 1986 under any circumstance.

9 Q But the meeting with Mr. Casey was, in fact,  
10 part of the -- a review of a large or chronology, was it not?

11 A No. Not really. The meeting with Casey was a  
12 review of his testimony that he was going to give and the  
13 extent to which that testimony was squared up with information  
14 we had from the State Department regarding knowledge of  
15 the 1985 shipment. That was the focus because there  
16 was concern that Casey's testimony was inaccurate in terms  
17 of how it expressed knowledge generally in the Government  
18 of that 1985 shipment.

19 Q Let's take it out of the Casey context and put  
20 it back to what I think is the stronger case. That is, the  
21 preparation of the chronology by Colonel North, the  
22 chronology itself did not mention anything about the  
23 diversion; did it?

24 A It did not; that is correct.

25 Q Let me bring up with just two more questions.

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CAS-48 1 Did anyone check back with Colonel North, to your  
2 knowledge, to find out whether, in fact, he did check on  
3 the status of files at the White House? Did anyone attempt  
4 to follow up on that note in Mr. Richardson's notes?

5 A I don't know. John Richardson would know. He  
6 was the one that basically had that task.

7 Q You did not follow up?

8 A I did not.

9 MR. McGOUGH: That is all I have.

10 THE WITNESS: Good. Are we through?

11 MR. LEON: Unless you have a final closing  
12 statement, Mr. Reynolds?

13 THE WITNESS: I don't dare do it. It will open  
14 up a whole new series of questions.

15 (Whereupon, at 5:20 p.m. the deposition was  
16 adjourned.)

17

18

19

20

21

22

23

24

25

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Reynolds Decision

Ex 1

23 Nov 8

Area of Concern

- ① SDB Tows - reporting - Arms Export Act
- ② 18 Hawks - reporting Arms Export Act  
Hughes-Ryan - appropriation
- ③ Contras
- ④ Secret's personnel
- ⑤ So. Air Transport - personnel

2497

Partially Declassified/Released on 22 July 1987  
under provisions of E.O. 12356  
by B. Regier, National Security Council

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11/23/82

11/23/82

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Oscar North - A.C., WSC, CTC, JTC

Lester - Consultant to NSC and to CIA - since prior to '85

- Came to North and talked about "Israeli" proposed - contacts with Iran

- Introduced CIA to [redacted] - met with him

McGowan

- Had call from McF; McF had call from Rabin and told he had problem in moving material to Iran

- ON talked to Rabin - R. said need help in moving items to support our request with Iran; wanted clearance in [redacted]

- R. military attaché said it against

- Shipment denied

- ON contacted D. Chavira; got promising plans and transported against

- later learned it was that under

- Meeting - Dan. B. French, McF, Smith, Shumaker, Connelley, N. Smith, North

- Be talked of insertion; anything else could not be done or hostage for arms

- ON had a knowledge of Sgt. shipment

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"Sister" meeting of B. McF. & Kincher

Kincher said need some if going to  
tell to Thomas; Bud said this can't  
be guaranteed or give for hostages

Reported to John P  
and B. McF.

Second report on how seemed up  
- That transaction was (first days 1 Dec.)

ON asked Chris George in Denver  
clearing that shipment had come

ON has no knowledge of "transaction" finding  
recess activity or finding <sup>with</sup> in 1 Dec. But  
not before

Talked to B. McF. on plane trip for  
hours

Meeting at Cory house. Cory, North  
Spokane, George Chase, Cedar

500 Taw Mules - Aug/ Sept (Bud McF. to Kincher)

ON found out something in Oct.; but had  
been told of transfer by Helen earlier

Return of Mules

Not cause we were furious, but cause  
Thomas was not pleased (overflight)

Real problem was Terrell paying  
money back

ON told to get Mules back - by Bud

Repayment of TDills

His first raised on Day 2

Repayment - May, 1986

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Feb. 1950 - 1000 Tows

3: Train to Toronto to Toronto back unit to  
CEA unit to Dad

Nir - Jan 1950

Meeting with ON - and Toronto would  
Diplo take from resident  
unit and transfer to Winnipeg unit

[Also Feb. 1950]

Jan 7

~~Jan~~ i meeting - blow up over Mark Hensler

Mr. Reed to be convinced in endorsed the  
unit of <sup>Tows</sup> ~~Jan~~ transfer

Representative of SOB

Agreed - Agreed

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11/24/76

**UNCLASSIFIED**Meeting with AG - Iranian matterOpen file

• CIA thought to ship limited amount of  
defensive weapons to achieve specific  
objectives:

1. Open up common w/ moderate  
elements

2)

3) Assist and if need

4) Release of hostages

• Plan authorized in Jan 17 filing  
Shaykh, Maher

• Communication link, Rome - Iranians re:  
filing of contacts

• Open North, South and Ho  
negotiated w/ Iranians -  
setting price of TOWs we can  
make profit and send profit  
to Carter

• DoD transfer to CIA; CIA to  
Iranians; Iranians to  
Iranians

• Filing - through bank  
in Switzerland

• Plan call

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• Iranians did not handle it, let  
old Iranian whom to discuss

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24NW86

Revised. Preparation

Ex 2

11/24/86

2:20 p.m.

p1

Tom Green - USR/CSC

- Regan, O. North + R. Secord (known for about 1 1/2 yrs)

- Has been talking to North/Secord - last for weeks

- General Understandings

• North - good guy but ready to take responsibility for more than perhaps he should

• No inquiry by USG

• No doubt that report of USG came to - wanted Israeli large initiatives w/ elements of Iran

• Initial transfer of TOWS became retroactively

• Transfer of 18 Hawk missile (later returned)

• North wanted to "pick up trail that Israelis opened" - led to this <sup>17</sup> finding

• Finding has reference to 32 cables at 32 pages - definitely put - finding was as to whether joint comparison to anyone in activities is further finding

• In identifying finding, North turned to Secord

• North/Secord began to work on closed

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2496

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by B. Reger, National Security Council

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p 2

- Robert Hachin - also received credit  
for many moderate elements - but p. 11
- Because "stood" for FBI &  
CEA
- Hachin volunteered to  
Send / Write that Gorkhuff  
is crude
- Hachin then volunteered to  
work his contacts in Iraq  
to reach the moderate  
elements
- Dec '86 - Frankfurt meeting (Hachin  
in character)
  - Thomas brought [redacted]  
to meeting - his [redacted]  
- Work, Second, CIA?
  - May have been type
  - "On" side typed up [redacted]  
a date
- Hachin then writing his claim  
produced [redacted] of Replent  
no production channel
- Work / Send knew that  
Thomas had not come  
to Moscow for it to  
Sputnik
- Hachin told that  
Thomas called the  
down files by not re-  
giving support [redacted]

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- Had - regular discussion w/ In. say we go to 3-2-1-1-1 through 10.1; say not only stop that but also, if we can arrange for you to have access for supplies you need, want you to make a contribution <sup>back</sup> to Caracas
- Price for F&B shipment was negotiated on that basis (essentially by Hachin)
- I was worked through Terasis into A. Hachin's financial network (accounts of foreigners that Hachin had access to)
- USG p2 for Tows; excess went to Hachin for Caracas
- TC says they were thought to be "cover" for the legality of the transfer
- May <sup>8</sup> transfer of 240 HAWK - you guys also negotiated on same basis
- O.K. was aware of this, but not a factor in this

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• No USG \$; Iranian making contribution with Iran

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• TG's didn't feel they were doing  
"the hard work"; they "checked like  
dogs", gave thought to be a fairly  
believed they were not doing  
of side work

• If known known:

Travis "can't take"  
contribution to (Lester).  
will explode the  
situation

a) Travis will kill me or some  
of his boys

b) [REDACTED] will  
probably be killed

c) Effort to reach out to residents  
will go "up - south"

• Sound, Hoke - North

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1 Dec 86 Revised

Ex 3

11/1/86

P1

Expiring 11:10 a.m.

CRD

Room 844

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Tom Green, Bill Harshbarger - Tom Shigant

Roger &amp; Second

Martin Torguian:

- Don't know history
- Don't know
- Provide spec. questionnaire

T. Green - speaking for his client

- Rather than send him to DOT
- Then appear in Hill
- T. Green feels he knows 98% of the story (what they)
- 1. • Does not feel Pres would be embarrassed were either party to come out
- 2. • Specifically, if we were to listen to either story, we would conclude that there has been no violation of law.

- T. Green does not think there has been any violation of law

- If so, it is incredibly technical

3. What does that suggest?

- Pres has a raging "feeding frenzy" of press
- Suspicion that Pres & Regan have more info than they are releasing

4. T. Green says based on his contact with the CIA venture was "an amazing venture"

- Nothing progress with Eric
- geo. political sense
- No reason for Admin. to run from the whistleblowing

Declassified/Controlled on 27 Jul 1987

Under E.O. 12065

By 2140, National Security Council

2503

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T. Green  
B. Beldie P. 2

• If DCS arrived that in  
everything, consider the  
following measures.

• P. 2 - to get at first. In  
a side to last DCS  
morning X, Y and Z. At  
the time you arrive in the  
streets of individuals  
can at the same time

• T. Green says  
~~lets will justify~~  
~~the situation~~ - the  
the likely is a  
being sufficient  
partially

T. Green Beldie

• T. G. had the McFarland  
open. Did they in '85  
Briefed P. 2 in the  
public, but they, at  
the time said do it  
you have to do

• T. G. believe should in Fall  
'85 was drawn at the  
was nothing to (public  
McFarland)

• T. G. says McFarland in 1980  
says wants to work up  
the case.

• Was changed in  
Dec - opened in  
changed

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T. J. Green 12/1/82  
P. S. W. 12/1/82 P. 3

- Re: T. J. Green  
• Based on the things  
saying of commercial  
activity - this is a paper.
- Material supplied for US  
present to - T. J. Green  
• Green says was  
saying it to McDonald  
by Green
- Green thinks as to Don't know  
that there were conversations  
of McDonald not conveyed to  
others
- When CCH was asked  
to help, McDonald  
thought it was "ok"  
saying "yes" and  
T. J. says they think  
they learned from the  
CCH - and not from  
McDonald
- McDonald was not US  
resident - CCH has  
heard it

Bike to T. J. Green

Opinion: Entire story is not

- The Case is not - as  
if McDonald is  
being by McDonald

McDonald's Piece -

- T. J. says McDonald story:  
• McDonald says was McDonald  
by McDonald  
• McDonald says was McDonald  
as McDonald it is McDonald  
as McDonald question

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T. G. 121.12  
B. H. 14

• Air lift picks up machine moved  
by Castro, produced by Castro,  
and supplies of Castro and  
air lifted it into U.S.

• None of it moved by  
U.S.; no exports from U.S.

• Therefore created  
by air lift

• T.G. feels that mere supply  
of ~~weapons~~ by private parties  
does not violate Neutrality  
Act

• Therefore: What about conveying  
sales of arms by U.S. to  
strong arm country to forward  
to Castro (i.e., if  
you want arms, must  
send to Castro)

• T.G. says that he  
has no knowledge  
of that -- either in  
Havana or as to  
any other third  
World City

• What occurred was a  
fortunate opportunity. The  
opportunity was to Castro and  
was unexpected result  
that emerged - Not "engineered  
up" by operations

• Other operations  
were generated  
with opportunity  
necessity and  
forthrightly

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T. Green  
J. H. Smith

12/1/68

P. 6

- I raised quest. on the line regarding the identity of quest should be (how many)?

T. Green says he has a view that identity should be narrower & relatively few people. Feels that we have to make a cut. He asks what is mechanism for doing this.

T.G.: Have to go to "highest levels" with concept. If receptive, T.G. will go to O'Neill's lawyer & A. Haskin's lawyer and see if they are willing to participate.

If so, will have to get all together to talk through the proposition.

T.G. does not want to address DOS at the Pres. Is not trying to "smoke" anyone.

He asks: Q - to I/C should be. Says cannot intervene during preliminary investigation by A.C. - I/C quest.

T.G.: I/C does not touch my name - Smith, North and Haskin are not covered by act.

T.G. says if I/C, all will clean up; his proposition is to open up.

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**UNCLASSIFIED**T. G. L. 12/1/82  
P. G. L. P. 7T. G. L. 12/1/82 - cannot  
linger about thisRWD: 12:15 p.m.

○

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